

City of Greenville



Comprehensive Annual Financial Report June 30, 2005



CITY OF GREENVILLE

GREENVILLE, NORTH CAROLINA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

CITY OF GREENVILLE, NORTH CAROLINA
JUNE 30,2005

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FROM THE OFFICE OF THE DIRECTOR OF FINANCIAL SERVICES

The Honorable Mayor,
Members of the City Council,
City Manager and Citizens of
Greenville, North Carolina

We are pleased to submit this **Comprehensive Annual Financial Report (CAFR)** of the City of Greenville, North Carolina, for the fiscal year ended June 30, 2005. This report is a product of the **City's Financial Services Department**; therefore, responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. This report complies in all material respects to the authoritative promulgations of the **Governmental Accounting Standards Board (GASB)**. The data, as presented, is accurate in all material respects to the best of our knowledge. Moreover, it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the **financial activity** of its various funds, and includes **all** disclosures necessary to enable the reader to gain an understanding of the City's financial affairs.

The Comprehensive Annual Financial Report is presented in four integral parts outlined to the left.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTRODUCTORY

- I. Title Page
- II. Table of Contents
- III. Letter of Transmittal
- IV. Copy of Prior Year GFOA Certificate of Achievement for Excellence in Financial Reporting
- V. City's Organization Chart
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FINANCIAL

- I. Independent Auditor's Report
- II. Basic Financial Statements
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SINGLE AUDIT

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COMMUNITY PROFILE

The City of Greenville (the “City”) is situated on the Tar River in the central coastal plain of North Carolina. It is centrally located approximately 85 miles east of Raleigh, our state’s capital, 87 miles west of the Atlantic Coast, and 265 miles south of our nation’s capital, Washington, DC. The City was founded by English settlers in 1771 and named Martinsborough after Royal Governor residents changed the honor revolutionary Carolinian, Nathaniel an area of square miles. The authority to expand annexation and has and zoning to one mile beyond December 31, 1992, the United States Department of Housing and Urban Development classified the City as a **Metropolitan Statistical Area** (“MSA”). Woods and Poole Economics, Inc. has projected that the City will be among the ten fastest growing MSAs through 2005.

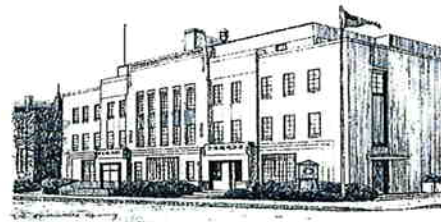


Martin. In 1786, the name to Greenville to war hero and fellow North Greene. The City covers approximately 29.29 City has statutory its boundaries through extraterritorial planning jurisdiction extending up its corporate limits. On

Once an agricultural and manufacturing based economy, Greenville and Pitt County has “reinvented” itself to become the commercial, educational, medical, and cultural hub of Eastern North Carolina. Much of the City’s growth can be attributed to East Carolina University, the **third largest** university in the state of North Carolina, its nationally acclaimed Brody School of Medicine, and the University Health Systems flagship institution, Pitt County Memorial Hospital. More is on the horizon with the construction of a new Heart Center, the development opportunities of the Greenville Convention Center, and the influx of new business and industry. Greenville offers the dynamic of a small city environment with the opportunities of a growing, vibrant community.

Government Structure

The City has a council-manager form of government. The City Council is comprised of a Mayor and six council members. The Mayor and all council members are elected every two years and serve two-year terms. All municipal elections are held on a nonpartisan basis.

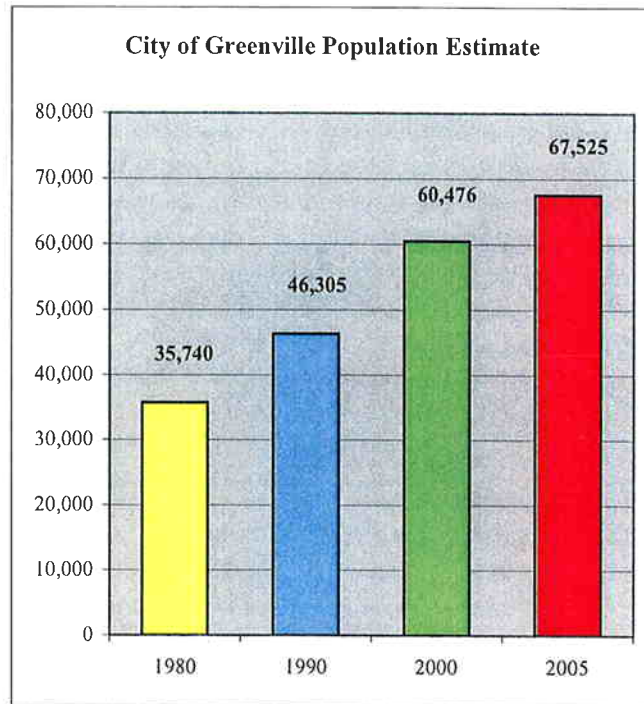


The City Council is the governing body of the City. The City Council appoints the members of various boards and commissions, the City Manager, the City Attorney, and the City Clerk. The Mayor presides over the City Council meetings. The City Manager is the chief administrative officer of the City and serves at the pleasure of the City Council.

Demographic Characteristics

Greenville is a rapidly growing city, with thousands of new residents migrating to the area. From 1980 to 2005, the City's population has grown by an explosive 89%. The chart to the right illustrates population estimates as recorded by the US Department of Commerce, Bureau of Census, from 1980 to 2005.

As of July 1, 2005, the Office of State Budget and Management estimates the Greenville population to be **67,525**, the 12th largest city in the state. This number **does** include college students who have temporary residency within the City.



Per capita income data for Pitt County and the State are presented in the following table¹.

<u>YEAR</u>	<u>COUNTY</u>	<u>STATE</u>
1998	\$22,499	\$24,661
1999	21,964	25,302
2000	24,599	26,882
2001	24,854	27,308
2002	24,731	27,785
2003	25,746	28,071

¹ United States Department of Commerce, Bureau of Economic Analysis

A CITY BUILT ON PARTNERSHIP: ECONOMIC & COMMUNITY DEVELOPMENT

The population growth experienced by the City is the welcomed result of a community vision and spirit of renewal, revitalization, and results. As we experience globalization and its ravaging affect on rural Carolina, Greenville and Pitt County has resolved to move forward, building on the strong foundations of the past yet progressing towards the new opportunities of the future. The area has renewed its commitment to the people, striving to enhance quality of life. It has accepted the challenge to reinvent the old and embrace the new. The results: a knowledge-based manufacturing core on the cutting edge of biotechnology development, a thriving healthcare community supported by a pioneering Medical Center, and the superior infrastructure of an educational system that fosters accessibility. Yet, it is the strength of partnering that has joined all the community's resources to create a unified force towards economic and community development.

Commerce and Industry

One of these development opportunities is a large pharmaceutical facility operated by DSM, formally DSM Catalytica. **DSM**, which bought out Glaxo-Wellcome in 1997, is the largest private-sector employer in Pitt County with approximately 1,200 employees². The company provides the pharmaceutical industry with an array of services, from chemical development to the production and distribution of medication. It is also one of the major industries that has made Greenville its North American headquarters.

In 2004, DSM High Performance Fibers, a wholly-owned subsidiary of DSM, constructed a new Dyneema Uni-Directional ("UD") facility located on the DSM site. Dyneema is a super strong polyethylene fiber developed by DSM and manufactured by a gel spinning process, also a DSM invention. Dyneema UD is a patented material built from uni-directional layers and has a much higher ballistic protection level than conventional woven fabrics. Due to the high demand for personal security and protection, Dyneema is primarily producing life protection materials such as vehicle armory and Small Arms Protective Inserts (SAPI). However, the fiber is also used as a component in high performance sails, marine ropes, fishing lines and nets, cables, safety gloves, and sporting goods. In view of increasing customer demand, DSM Dyneema will invest over \$50 million to expand operations, building a new fiber line that will increase production by more than 50%. This expansion promises 60 new jobs over the next three years

NACCO Materials Handling Group ("NACCO") is one of the world's largest lift truck manufacturers, designing and engineering for virtually every market niche. All lift trucks are marketed under the Hyster®, Yale® or Sumitomo-Yale® brand names. In 1998, NACCO established Greenville as its headquarters, bringing in new jobs that have helped make NACCO the second largest manufacturing employer in 2005.

² Ranking as of April 2005

Across the Boulevard, **Grady-White Boats** is moving full steam ahead. Homegrown in Greenville, the organization was begun by founders Glenn Grady and Don White as a small design and manufacturing outfit, focused on family fishing boats. Each boat was a handcrafted, wooden masterpiece designed for pleasure but employed methods used in larger sport fishing boats to withstand conditions on coastal waters. Under the current leadership of owner and CEO Eddie Smith, Grady-White continues to build on its tradition of quality and integrity. The company made the natural progression into fiberglass, offshore sports fishing boats and continues to flourish, recently opening a \$6 million, 46,000 square foot plant expansion. Grady-White Boats is now recognized as a leader in recreational fishing and environmental coastal issues.

The Pitt County Development Commission selected **HammockSource** as the 2005-2006 Pitt County Industry of the Year. Once the very small Hatteras Hammocks, HammockSource has been an incorporated entity founded in Pitt County since 1971. Evolving from a few hand knotted hammocks, to an Entrepreneur of the Year award for founder Walter Perkins, Jr., to the world's largest manufacturer and distributor of hammocks, the industry stands out for its innovation and commitment to customer service. In the summer of 2001, the company acquired property to begin expanding to accommodate the consolidation of distribution. With the expansion, the company added warehousing with some shipping and manufacturing. The expansion encompasses 37,000 square feet of space.



New Developments

With the recent close of a major manufacturing facility in Greenville, the area welcomes **Harper Brush Works**, a family owned and operated company which continues production in the United States despite the push to overseas manufacturing. The company, a producer of over 600 cleaning supplies, ranging from industrial to household mops, brushes, and other cleaning products, has made plans to hire 250 employees over the next three to five years. Harper will use the recently laid-off workforce to supply its applicant pool for the predominately manufacturing, production, and distribution jobs, averaging \$15 an hour. The Greenville site will be the company's first East Coast manufacturing facility.

The City is also excited to welcome **Rural Sourcing, Inc.** (“RSI”), an information technology company offering IT (information technology) services for US corporations. These centers open in predominately rural areas which offer lower-costs and are home to strong regional universities, offering degrees in IT and computer science. NC RSI expects the Greenville Technology Development Center to be among the largest of their target (50) to open over the next five years. As a result, the Center is committed to hiring over 100 IT professionals from the region as well as East Carolina University. Internships will also be offered to juniors and seniors majoring in IT and related fields.

The City would like to court more industries with its new **Technology Enterprise Center**. The Center operates as a biotechnology incubator, offering office, laboratory, and light manufacturing space to technology-based companies on a short-term lease. Companies benefit from submarket rent, shared security, conferencing facilities plus clerical support along with on-site business counseling. Located at 111 South Washington Street, the Center was developed as a partnership between the Pitt County Development Commission and ECU’s Center for Applied Technology, acquiring resources from Pitt Community College, the Small Business and Technology Development Center, and NC State University’s Industrial Extension Service.

Construction Activity

The following table indicates construction activity in the City of Greenville, including the type, number, and value of permits issued by the City:

COMMERCIAL			RESIDENTIAL		
<u>CALENDAR YEAR</u>	<u>NUMBER</u>	<u>VALUE</u>	<u>NUMBER</u>	<u>VALUE</u>	<u>TOTAL VALUE</u>
2000*	362	51,668,928	1,330	49,609,033	101,277,961
2001	284	38,029,069	798	38,338,014	76,367,083
2002	469	41,750,182	926	37,496,420	79,246,602
2003	207	32,401,829	1,311	76,332,746	108,734,575
2004	223	77,695,286	640	86,763,566	164,458,852

Source: City Inspections Department.

*Figures higher than normal due to the Hurricane Floyd-related flooding.

Employment

The County’s manufacturers employ a little over 7,000 residents. Education, health care, public administration, distribution, communication, and financial services provide over 16,000 non-manufacturing jobs. Pitt County Memorial Hospital employs over 5,000 area residents. Regional education institutions, East Carolina University and Pitt Community College make major contributions to the economy, not only by educating the workforce, but also by hiring almost 5,000 employees of their own. The following table lists the major employers in or within a few miles of the City:

TOP EMPLOYERS IN GREENVILLE AND PITT COUNTY		
Company/Institution	Product/Service	Approximate # of Employees
Pitt County Memorial Hospital	Healthcare	5,026
East Carolina University	Education	4,184
Pitt County Schools	Education	2,600
DSM Pharmaceuticals	Pharmaceuticals	1,200
NACCO Materials Handling Group	Lift Trucks	1,130
Pitt County Government	Government Administration	975
Pitt Community College	Education	815
City of Greenville	Government Administration	652
Collins & Aikman	Knit Fabrics	600
Physicians East	Medical Care	500

Source: Pitt County Development Commission

The North Carolina Employment Security Commission has estimated the percentage of unemployment in the County as follows:

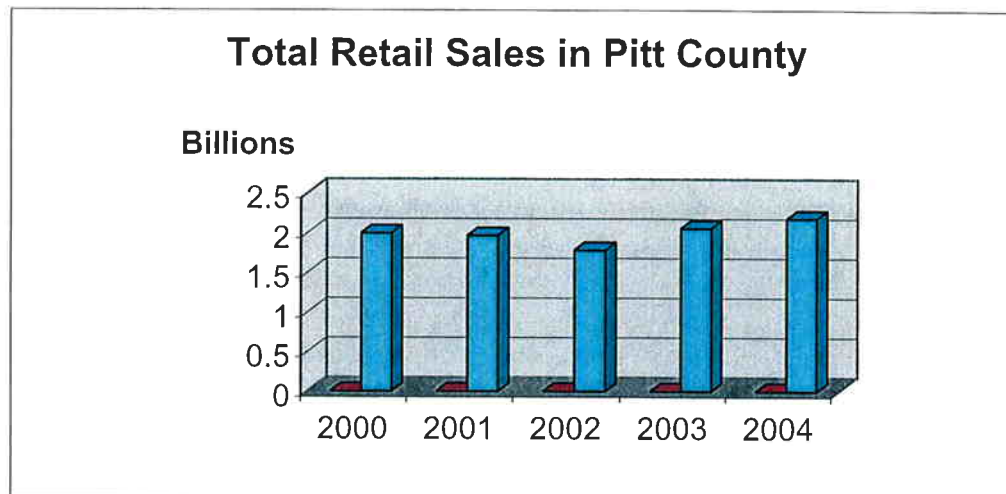
	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
2001	5.5	5.6	5.5	5.4	5.8	6.6	6.5	6.2	5.8	6.2	6.7	6.1
2002	6.7	6.6	6.6	6.4	7.1	7.5	7.2	6.6	6.0	6.0	5.9	5.5
2003	6.4	6.3	6.6	6.5	7.0	7.6	7.5	7.3	6.6	6.6	6.2	5.7
2004	6.0	6.2	5.1	5.1	5.9	6.6	6.1	5.9	5.0	5.4	5.6	5.5
2005	4.6	5.0	4.4	4.5	4.8	5.4						

Retail Sales

With the cycle of economic expansion, employment, and new wealth has come a blossoming service and retail sector. Total retail sales in the County for 2000 through May of 2005 are shown in the table below:

<u>Fiscal</u>	<u>Total</u>
<u>Year</u>	<u>Retail Sales</u>
2000	1,994,500,000
2001	1,963,400,000
2002	1,779,264,000
2003	2,054,968,194
2004	2,177,577,746
2005 (ended May)	933,290,179

Source: Greenville Chamber of Commerce



EDUCATION: THE CORNERSTONE OF DEVELOPMENT

The County's educational system has provided much of the support needed to progress a new economy and move forward into the 21st Century. Through a superior public educational system, students are prepared for top notch institutions of higher learning such as East Carolina or Pitt Community College, and provide a highly skilled labor pool for the County's expanding economy.

Pitt County Schools

Public education is primarily a function and responsibility of State government. School operation is largely determined by State statutes and State policies adopted by the State Board of Education. School officials and teachers are employees of the State. The General Assembly has delegated financial responsibility for certain areas of public education, primarily construction and maintenance of school facilities, to the counties.

Pitt County Schools



The City and the County have a consolidated school system, designated as the Pitt County School Administrative Unit, which is governed by a 12-member Board of Education elected on a non-partisan basis for staggered four-year terms. The Board of Education submits a budget request to the County Board of Commissioners annually.

The following table shows the number of schools by grade level and average daily membership for the Pitt County School Administrative Unit:

SCHOOL YEAR	ELEMENTARY GRADES (K-5)		INTERMEDIATE GRADES (6-8)		SECONDARY GRADES (9-12)		TOTAL ADM.
	NO. SCHOOLS	OF ADM*	NO. SCHOOLS	OF ADM*	NO. SCHOOLS	OF ADM*	
2000-2001	21	9,952	13	4,794	6	5,431	19,817
2001-2002	22	9,971	13	4,983	7	5,646	20,600
2002-2003	22	9,719	13	5,085	7	5,608	20,412
2003-2004	22	9,928	13	5,178	7	5,559	20,665
2004-2005	22	10,221	12	5,232	6	6,359	21,812

*Average daily membership ("ADM") (determined by actual records at the schools for the first month of school) is computed by the North Carolina Department of Public Instruction on a uniform basis for all public schools in the State. The average daily membership computations are used as a basis for teacher allotments and for distribution of local funds if there is more than one unit within a county.

Source: Superintendent's Office of the Pitt County School Administrative Unit.

Working Together for Youth

Pitt County has taken education and cooperative learning to the next level with the inception of the **Health Sciences Academy**, a unique program that prepares students for careers in the medical field. A mutually beneficial relationship between Pitt County Schools, Pitt County Memorial Hospital, and local medical and civic organizations, students have the advantage of shadowing doctors and professors and taking courses from health-care professionals while pursuing a variety of health related careers. Another program, **Organizations/Businesses Assisting Schools in Success (OASIS)**, is a consortium of businesses and nonprofit groups that support local schools through their time, money, or through in-kind giving.

Pitt Community College

One of the County's top notch institutions of higher learning is Pitt Community College ("PCC"), a comprehensive public, two year-educational institution serving adult citizens of the City and the County. It is the sixth largest community college in the State and is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award associate degrees. PCC offers an array of programs including occupational and university transfer degree programs as well as non-credit professional development classes through its 44 associate degree, numerous certificate, 23 diploma, and 18 college transfer programs. Among its many accomplishments is the PCC Preschool and the Pitt County JobLink Center, both receiving the highest rating level for service in Pitt County.



G. Henry Leslie Building at PCC

A leader in workforce development, service, and lifelong learning, PCC along with a host of partners is making way for the latest development area, Biotechnology. Biotechnology uses living organisms to produce commercial products, the main industry in our area being pharmaceuticals. Graduates of the program, which began offering classes in 2003, will be prepared for work in medical school laboratories as DNA analysts or lab workers. These students may also opt for a four-year degree at East Carolina University. Programs like this provide the incentive for companies such as DSM and other technology firms to make a home in the City.

PCC is also leading the way in distance learning education and technology. During the 2004 –2005 academic year, the College served approximately 2,300 of its 8,000 curriculum students via the information super highway. Five associate degrees and 18 certificate programs offered online are fully accredited, serving students as far away as Peru, Mexico, and Japan. PCC is an active partner with the Southern (US) Regional Electronic Campus, which provides virtual classes originating from colleges and universities in the 15 southeastern states.

East Carolina University

Chartered by the North Carolina General Assembly in 1907, East Carolina University (“ECU”) has evolved from a two-year Teacher Training School in 1929 to a four-year Teachers College to its present standing as a major comprehensive university, designated as a constituent institution of the University of North Carolina. The third largest institution of higher learning in North Carolina, enrollment remains upwards of 22,000 students, including approximately 5,000 graduate students.



Joyner Library

East Carolina is a public institution committed to rich and distinctive education, exemplary teaching, research and scholarship, public service, and human and intellectual diversity. A hallmark of the institution lies in its willingness to innovate and provide inter-institutional programs and cross-disciplinary curricula as can be seen in its course offerings and degree programs. ECU’s desire for continued improvement and innovation has cemented its role in community vitality on every level. As noted in the many partnering ventures already discussed, ECU is one of the City’s cornerstones of education and community and economic development.

Facts in Brief

- Undergraduate degrees: **105**
- Master's degrees: **17**
- Doctoral degrees: **16**
- Nationally acclaimed Brody School of Medicine
- Leads the UNC system in distance-learning enrollment
- More than 8,000 East Carolina students contribute in excess of **100,000** hours of volunteer service to more than 100 community health and human service organizations
- New construction projects totaling **\$250** million are currently underway

MEDICAL FACILITIES

Brody School of Medicine at East Carolina University

The Brody School of Medicine at East Carolina University, located within the City, was established in 1975 by an act of the North Carolina General Assembly. The Brody School of



Brody School of Medicine

Medicine has a threefold mission: (1) to produce primary care physicians to serve the State, (2) to increase opportunities for minorities and disadvantaged students to pursue a medical education and (3) to expand and improve the network of health care in eastern North Carolina. For this reason, it admits, almost exclusively, in-state applicants with the expectation that graduates will remain in North Carolina, preferably practicing in underserved areas. Each year, the Brody School of Medicine is ranked highly among the nation's medical schools in the percentage of its graduates who became primary care physicians, solidifying its reputation as a leader in primary care and rural medicine.

Students who enter the program benefit from its moderate size, excelling as either generalists or specialists with an abundance of clinical experience throughout the four years. Currently, one may enter 12 areas of residency, Family Medicine being the largest, or enroll in the school's three combined residency programs, which include Emergency Medicine/Internal Medicine, Medicine/Pediatrics, and Medicine/Psychiatry. Brody also supports programs, which lead to the Doctor of Philosophy degree in six disciplines: anatomy and cell biology, biochemistry, microbiology and immunology, pathology, pharmacology, and physiology.

The Brody School of Medicine, together with Pitt County Memorial Hospital ("PCMH"), is situated on an approximately 90-acre tract within a designated medical district. Medical school facilities include five major buildings, including the 550,000 square-foot Brody Medical Sciences Building. The Brody School of Medicine has a state-of-the-art cancer treatment center, serving patients throughout eastern Carolina. But, it is the school's leadership in robotic surgery that has captured the imagination of the medical world.

Surgical teams from around the world come to Greenville to receive instruction on the operation of a robotic probe known as the daVinci. The daVinci enables heart surgeons to operate on patients via a computer console a few yards away, the software compensating for differences in dexterity, correcting any manual tremors. Consequently, surgeries that would have required large incisions and demanded extended recovery times now only rely on dime-sized incisions, leading to shorter recovery times. Not only does this approach cut down on the overall cost of treatment but also allows remote surgery from any part of the world.

Brody's leadership in heart health problems along with the dire need of adequate care in rural areas has lead to the inception of a vision: the **Eastern Carolina Cardiovascular Institute ("ECCI")**. ECCI will be the first facility in North Carolina devoted exclusively to the treatment and prevention of cardiovascular disease. The institute will include two new buildings:

- A cardiovascular center at Pitt County Memorial with 120 beds, 11 interventional labs, and a suite of operating rooms dedicated to cardiac procedures.
- A cardiovascular clinic and research center operated by East Carolina University. This facility will include outpatient clinics, physician offices for all cardiovascular specialties within the University, a training and education center, and laboratories to conduct scientific research and development for the prevention and cure of cardiovascular disease.

Pitt County Memorial Hospital

Pitt County Memorial Hospital is a private, non-profit hospital and regional referral center licensed to operate 745 beds. PCMH is owned and operated by University Health Systems of Eastern Carolina, which includes community hospitals, physician practices, home health, and other health services. PCMH is affiliated with, and serves as the teaching hospital for the Brody School of Medicine at East Carolina University. Inpatient services with an average of 33,000 per year are concentrated in five bed towers containing primarily private rooms. In an average year, more than 266,000 outpatients are treated at the facilities.



Pitt County Memorial Hospital

PCMH offers a comprehensive range of primary and tertiary medical services to more than 1.2 million people in 29 counties that include a heart center, a cancer center, a children's hospital, a regional rehabilitation center, a level I trauma center, a level III neonatal intensive care unit, and 24-hour emergency transport services that include both helicopter and mobile intensive care units. PCMH serves as a clinical training site for physicians, nurses, and a range of allied health professionals. The clinical staff includes more than 500 physicians and 1,200 nurses. PCMH is fully accredited by the Joint Commission for the accreditation of Healthcare organizations.

IMPROVING QUALITY OF LIFE: CULTURE AND RECREATION

Visitors and residents of the City have a number of possibilities for cultural and recreational pursuits. From the well-respected outlet for the arts located on ECU's campus to the leisure enjoyment of parks and green spaces to the growing reputation of Greenville as the sportiest place to be -- there is something for everyone.

ECU and the Arts

ECU's schools of music, art, theatre and dance, and communications have joined forces to become the new College of Fine Arts and Communications. At the **Wellington B. Gray Gallery**, there is a wide range of both touring and student exhibits. This gallery showcases the work of internationally renowned contemporary artists. It is a 7,500 square foot facility and is the largest gallery associated with a university arts school in the Carolinas. The music department hosts several festivals each year, including the **Four Seasons Chamber Music Festival**, a six-concert event featuring chamber music performers from around the world. **ECU/Loessin Playhouse & Theatre** presents a season of eight productions consisting of musicals, plays, dance concerts, comedies, and dramas.

Recreation and Parks

The City has won state and national awards for its comprehensive recreational program. The City owns and, through its Recreation and Parks Department, operates more than 20 parks and facilities on approximately 1,050 acres. One of the highlights is **River Park North**, located on 359 acres of river wetland along the Tar River. The facility offers paddleboats, nature trails,



River Park North

fishing and picnic facilities. Also located on the park grounds is the **Walter Stasavich Science and Nature Center**, which offers several wildlife displays and a hands-on touch tank, and the "**Adventures in Health Children's Museum**" which is a hands-on teaching center with exhibits. The Walter Stasavich Science Center and Nature Center has undergone a major expansion resulting in a total building of 10,000 square feet at an approximate cost of \$1.5 million.

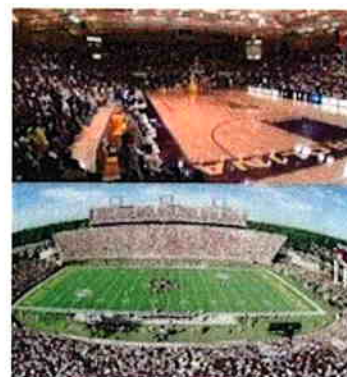
This facility houses a 10,000 gallon aquarium unique to the area. This facility has a 23-county regional draw and highlights animal and plant species from eastern

North Carolina. The City's Greenways Trail offers a hiking and biking nature trail throughout a major portion of the City; a 2.3 mile second phase was recently completed, extending the trail to 3.4 miles.

The Recreation and Parks Department also operates four gymnasiums, a teen center, a baseball stadium, seven lighted softball fields, five baseball fields, a boat ramp, roller hockey rink, a tennis center, and a city highlight—an extreme skate park. The In-Line Hockey Skate & Bike Park is one of the few in the nation suited for professional use. The facility is used by pros like national champion BMX biker Dave Mirra and amateurs alike.

The Recreation and Parks Department offers over 500 different programs. Among those programs are sports for youth, adults, and seniors from baseball, soccer, and basketball to cricket and in-line hockey. The City also owns and operates the **Bradford Creek Golf Course**. Bradford Creek features an 18-hole golf course and a clubhouse for corporate and catered events. The clubhouse also features a pro-shop and concession area. Additionally, residents can enjoy the **Greenville Aquatics and Fitness Center**. This center is an exercise/wellness facility, which also houses an indoor pool and gymnasium for basketball. This facility offers exercise and wellness classes and has weightlifting and cardiovascular exercise equipment.

The City sponsors a summer program entitled “**Sunday in the Park,**” which features local talent. The **International Festival** is held annually celebrating the diverse population that has come to makeup the City and surrounding area. In addition, the Ronald McDonald House along with the National Golf Association holds the **Touch Stone Energy Open** each June at the Brook Valley Country Club to benefit the Ronald McDonald House. Overton’s, the world’s largest water sports equipment distributor, is headquartered in the City and has sponsored the **National Water Ski Tournament** in the area for the past three years. And, one cannot forget the spirit of **Pirate football** and other intercollegiate athletics sponsored by East Carolina.



*Minges Coliseum &
Dowdy Ficklen Stadium*

“Sportstown USA”

It is no surprise that on March 9, 2004, the City was recognized by *Sports Illustrated* as “Sportstown USA” (#1) for North Carolina. The City is one of 50 in the United States noted during its 50th Anniversary for variety and depth of programming of leisure opportunities. The Sportstown designation honors the City of Greenville for its parks, recreational and leisure programs.

TRANSPORTATION

There are approximately 218 miles of streets maintained by the City and State within the City limits. Funding for expansion, maintenance, and improvements of the local streets maintained by the City is derived from the City’s proportionate share of the amount produced by a one-cent State tax on each gallon of motor fuel and from other revenues.

Several highways provide access to the City. The major east-west connector, U.S. Highway 264, is a four-lane controlled-access highway. North Carolina Highway 11 - U.S. Highway 13 is the primary north-south highway crossing the City. Interstate Highway 95 is 35 miles to the west and U.S. Highway 17 is 15 miles to the east and U.S. Highway 264 may reach both.

The Pitt-Greenville Airport (the "Airport") is a 1,000-acre municipal facility owned jointly by the County and the City. The Airport is located adjacent to the Greenville Industrial Park in the northwest portion of the City. By joint resolution of the City Council and the County Board of Commissioners and by an act of the North Carolina General Assembly, the Pitt-Greenville Airport Authority, a body politic and corporate, has been created to oversee and direct the operation, maintenance, and improvement of the Airport. Improvement aid has come in the form of a \$887,205 grant from the Federal Aviation Administration, part of the United States Department of Transportation.

The Airport is a non-hub regional (commuter) airport currently served by USAir Express with seven round trips daily to the USAir hub in Charlotte. Total origin and destination passengers through calendar year 2004 were 99,059. The airport also houses four auto rental agencies, a taxi operator, massage therapist, and a grill.

In addition to airline activity, the Airport serves as the portal of entry for numerous corporate and business aircraft serving such clients as DSM, Lowe's, TRW, Grady-White, Weyerhaeuser Company, Collins & Aikman, DIMON International, NACCO, and Overton's Sports Center. Other services utilizing the Airport include air ambulance and airfreight companies.

Daily rail service is provided to the City by Seaboard System Railroad (CSX) and Norfolk Southern Railway, two of the nation's largest railroad systems. Interconnecting in the City, these systems allow for the transport of freight shipments to and from such cities as Atlanta, New Orleans, Miami, St. Louis, Chicago, Detroit, Philadelphia, and Pittsburg. The City is approximately 85 miles from Morehead City, a seaport city with ocean route connections.

Greenville Area Transit ("*GREAT*"), established in 1976, provides fixed route bus service for the City. GREAT is operated as a division of the City's Public Works Department and provides transit service within the corporate limits. In designating routes, GREAT seeks to provide transportation service for the City's transit dependent groups to the major industrial, commercial, educational, and social service locations. Since its inception, ridership has steadily increased. Ridership for the 2004-2005 fiscal year averaged approximately 16,342 passenger trips each month.

Greenville Convention Center



After eight years of planning and negotiating, the **Greenville Convention Center** made its grand opening in May 2002. The Convention Center helps to capture the more than \$130 million generated each year by visitors to Pitt County as estimated by the US Travel Data Center. Its campus offers state of the art meeting and exhibit facilities, the latest audio visual technology and a wide range of added features for meeting planners and show producers. The Convention Center's 40,000 square feet of exhibit space is connected via an enclosed walkway to the Hilton Hotel's 25,000 square feet of meeting, banquet, and breakout space. The adjacent City Hotel and Bistro adds an additional 9,000 square feet of meeting space to the Greenville Convention Center Campus

The Convention Center continues to be the largest convention and meeting venue east of I-95 in North Carolina. During the first two years of operation, the Convention Center hosted 300 event days and welcomed over 50,000 guests onto the campus. The business mix for the Convention Center includes 40 percent conference and convention business, 35 percent consumer and tradeshow, 15 percent entertainment and 10 percent social events. The Convention Center has proved to be a positive economic anchor to the area's hospitality industry generating over \$8 million annually in economic impact. In 2003, the Convention Center hosted the national sales meeting of Grady White Boats and several other national conventions including Tupperware and the Freewill Baptists. The event venue has become home of East Carolina University's annual Dr. Billy Taylor's Jazz Festival and the annual Festival of Trees, as well as consumer tradeshows showcasing tools, crafts, and other wares. The Convention Center hosted the Sports Illustrated USA presentation to the City of Greenville.

MAJOR INITIATIVES

In staying focused with The City Council and its goals for city improvement, several projects are underway. The **Charles Boulevard Enhancement** project will provide landscaping, sidewalks, and improved safety for all modes of travel between Greenville Boulevard and 14th Street. These measures will address a critical need for a safe greenway system and pedestrian corridor for a major gateway into uptown Greenville and the ECU campus.

Other capital improvement projects include:

<u>Amount</u>	<u>Project Description</u>
\$ 295,000	Fire/Rescue (Mobile Trailer, Additional Office Space, Land Acquisition)
608,500	Information Technology (New and Improved Technology)
50,000	Library (HVAC/Exterior Improvements)
50,000	Planning and CD (Façade Improvement, Historic Properties)
363,600	Recreation/Parks (Resurfacing, Replacement Equipment, Park Development)
167,000	Police (Replacement of Handguns)
<u>880,500</u>	Public Works (Equipment and Improvements)
\$ <u>2,414,600</u>	Total

Planning is occurring for some of the new General Obligation Projects, including:

- Stormwater Projects
- 10th Street Connector Environmental Assessment and Design
- West 3rd Street Reconstruction Design
- West Greenville/Center City Revitalization Projects

FINANCIAL INFORMATION

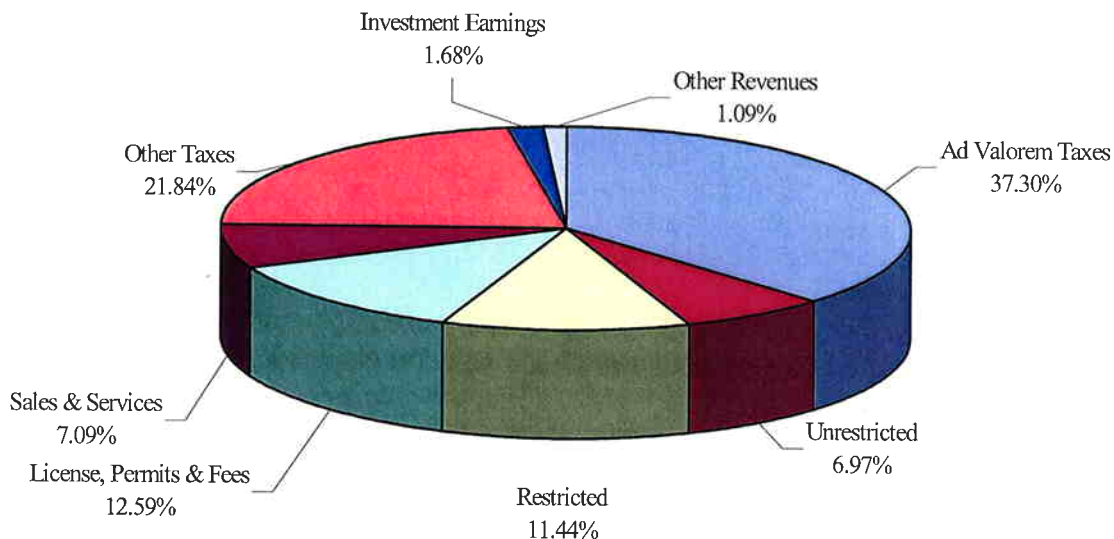
Accounting. An explanation of the City's accounting, internal control and budgetary policies is contained in the notes to the basic financial statements, which are an integral part of this report. These notes explain the basis of accounting, funds and account groups used and other significant accounting information. In summary, the **City's accounting records** for governmental activities are maintained on a **modified accrual basis** whereby revenues are recognized when measurable and available, and expenditures are recorded when related liabilities are incurred. For annual financial reporting a conversion to full accrual occurs. Business-type activities of the City are reported on a **full accrual basis** of accounting. Under this basis, revenues are recorded when earned and expenses are recorded when incurred.

Internal Control. In developing and evaluating the City's accounting system, consideration is given to the adequacy of its internal accounting controls. **Internal accounting controls** are designed to provide reasonable, but not absolute, assurance regarding: (1) the **safeguarding of assets** against loss from unauthorized use or disposition; (2) the **reliability of financial statements**, and (3) **compliance with requirements** applicable to federal and state financial assistance programs. The concept of **reasonable assurance** recognizes that: (1) the **cost of controls should not exceed the benefits** likely to be derived; and (2) the **evaluation of costs and benefits requires estimates and judgments** by management. As a recipient of federal, state, and local financial assistance, the government is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management, as well as, independent auditors.

As a part of the single audit, our independent auditors performed tests of the City's internal control structure and of its compliance with applicable laws and regulations, including those related to federal programs. **The audit for the year ended June 30, 2005, disclosed no material internal control weaknesses or material violations of laws and regulations relative to its major federal programs.**

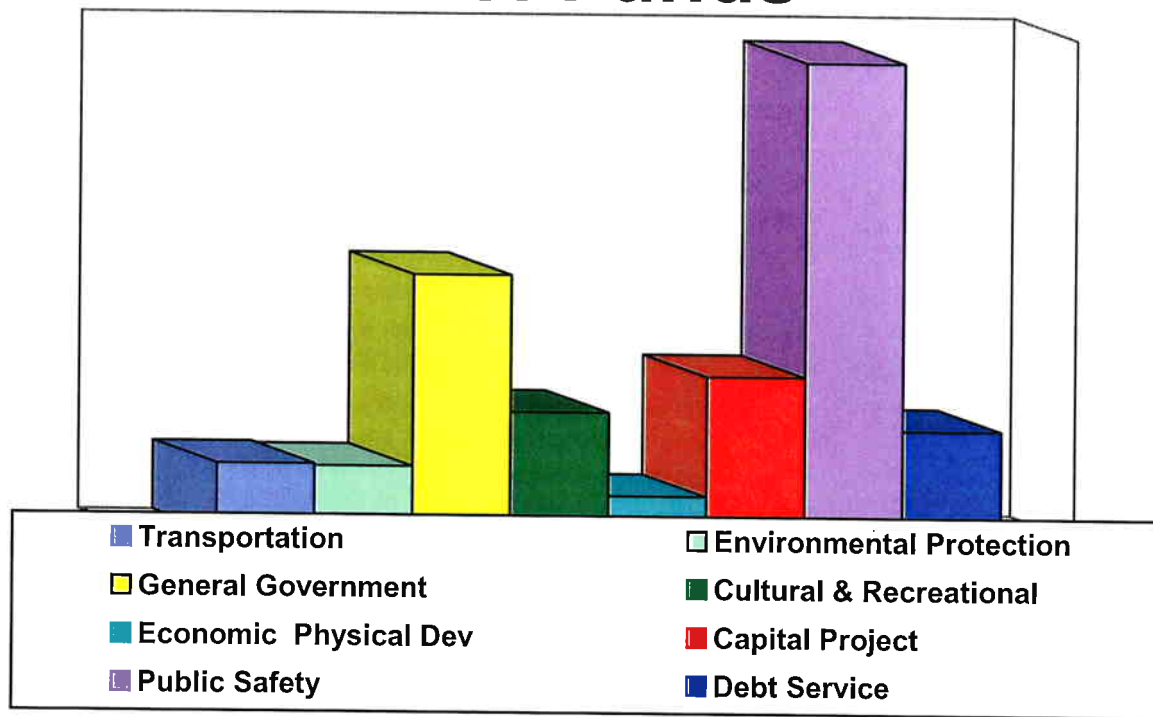
Budgetary Controls. The North Carolina General Statutes requires all governmental units to adopt a balanced budget by July first of each year. Budgetary controls are enacted to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The City maintains budgetary control in subcategories by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Subcategories are utilized in personnel, operating and capital sections within each department. Purchase orders, which result in an overrun of subcategory balances, are not released until additional appropriations are made available. Open encumbrances for outstanding purchase orders intended to be honored are reported as reservations of fund balance at June 30, 2005.

General Government Functions. Revenues for general government functions (General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Fund) amounted to \$57,171,969 for the fiscal year ended June 30, 2005.



The **assessed valuation of property** for fiscal year 2004-2005 was \$3,808,808,941, up approximately \$715.3 million from the previous year. A significant portion of the increase in ad valorem taxes is attributed to the increase in new construction and renovations.

Use of Funds



Sales taxes (the second largest revenue source of revenue for the City) continue to be a strong source of funding for the City. Over the past four years, there has been a mean average growth of 1.5 % in sales tax. For 2004-2005 the growth in total sales tax revenue was approximately 10%. This is due to the new ½ % sales tax that went into effect December 1, 2002 and overall sales tax growth.

Powell Bill Funds are distributed by the State, and are based upon miles of streets, population and regional gasoline sales. For 2004-2005 we received \$1,912,098. Reliance on revenues generated from **Sales & Services** and **Licenses, Permits and Fees** has increased due to the City's continued goal of diversifying its revenue sources and overall growth. The City is actively pursuing all revenue sources in order to have less dependence on taxes.

General Government Functions. Expenditures for general government functions (General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Fund) are detailed in the graph above and amounted to \$64,966,765 for 2004-2005.

General Fund Balance. The City Council adopted a financial policy during the 1992-1993 fiscal year. This policy established reasonable parameters for the operations of the City and ensures that the operating and capital needs are being met while maintaining financial stability. This document serves as an important planning tool for the future.

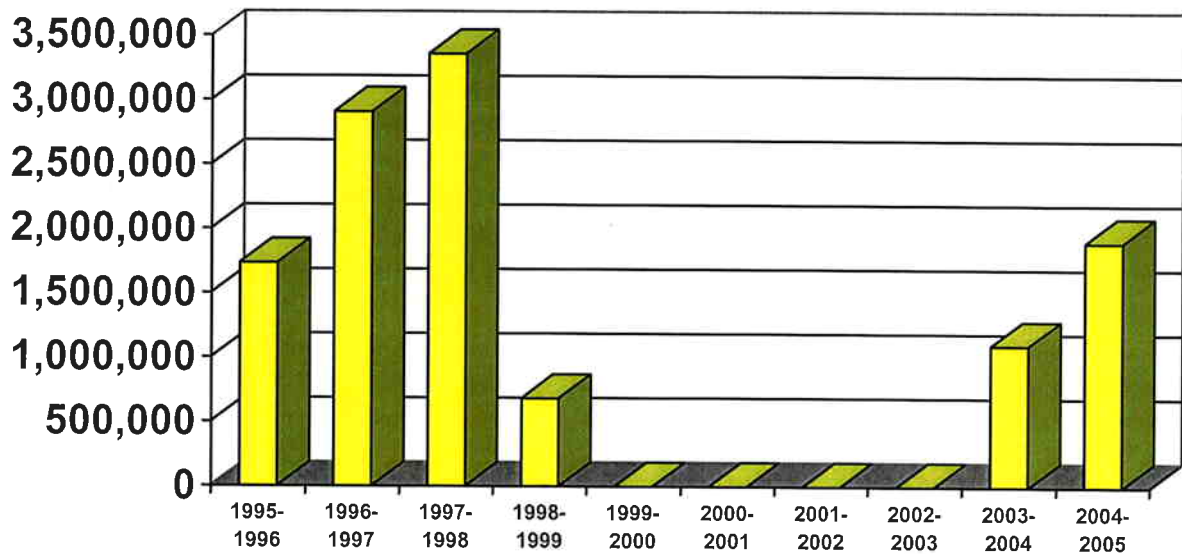
In the financial policy, the excess of unappropriated General Fund balance over the current year's budget less the decrease in cash between year ends is to be transferred to the Capital Reserve Fund yearly for future capital needs. In the 2004-2005 fiscal year an additional \$1.9 million was transferred for capital projects. Since 1983, the City has financed more than

\$12.3 million worth of capital improvements, with another \$6.3M already earmarked for future projects. Future projects to be financed by Capital Reserve are:

- Transportation Improvements
- Parking Improvements
- Police Firing Range
- Bonners Lane School Site

The transfers made from the general Fund to the Capital Reserve Fund for the past 10 years are as follows:

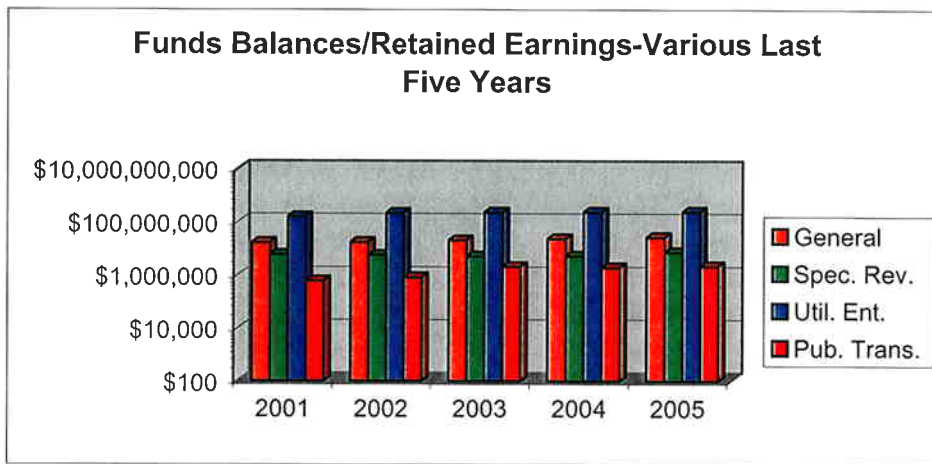
CAPITAL RESERVE FUND



The total fund balances/retained earnings of some of the key funds have continued to remain strong over the past five years.

**CITY OF GREENVILLE, NC
FUND BALANCES/NET ASSETS - VARIOUS FUNDS
LAST FIVE YEARS**

	6/30/05	6/30/04	6/30/03	6/30/02	6/30/01
General	\$26,521,729	\$23,031,474	\$20,479,680	\$ 17,146,371	\$ 16,563,381
Spec. Rev.	7,241,099	5,165,681	5,039,814	5,739,913	5,941,771
Util. Ent.	242,364,784	235,868,647	228,764,854	217,576,185	157,578,901
Pub. Trans.	<u>2,139,085</u>	<u>1,914,625</u>	<u>2,049,025</u>	<u>811,415</u>	<u>596,157</u>
Fund Total	<u>\$278,266,697</u>	<u>\$265,980,427</u>	<u>\$ 256,333,373</u>	<u>\$ 241,273,884</u>	<u>\$ 180,680,210</u>



Proprietary Funds. Operating revenues for all of the **utility funds** for the year ended June 30, 2005 totaled \$190,645,680 compared to \$182,892,688 for the preceding year, an increase of \$7,752,992. The overall rise in operating revenue resulted primarily from a 4% increase in customer base, and 8.8% increase in natural gas consumption and rate increases in electric, water and sewer. During the fiscal year electric consumption of services, decreased by 1.2% while water usage decreased by 1.9%. Water and sewer rates increased by 4%.

Total operating expenses for the same funds (except the cost of power, gas and depreciation) for the year ended June 30, 2005 was \$36,109,272, as compared to \$32,848,786 the previous year. This is an increase of \$3,260,486.

Utilities transfers are made on a monthly basis to the General Fund. The amount of the transfer equates to 6% of the difference between the electric and natural gas systems net fixed assets and total bonded indebtedness. In the last fiscal year, Greenville Utilities turned over \$3,235,744 for Electric and \$491,593 for Public Lighting totaling \$3,727,337. Gas turnovers

equaled \$856,349. Electric transfers totaled 2.6% of the original 2004-2005 budget, and Gas transfers totaled 3.2% of the original 2004-2005 budget. Transfers as a percentage of the overall city budget have remained constant over the last ten years.

Utilities franchise taxes amounting to 3% of gross utilities charges for electric, water, sewer, and telephone companies are refunded on a quarterly basis from the North Carolina State Treasurer's office. This amounted to \$3.5 million during the current fiscal year.

Capital improvement expenditures are needed to keep up with customer growth, which requires expenditures for facilities and equipment to meet the growing demand for utility services. Capital expenditures for the 2004-2005 fiscal year totaled \$24.8 million as compared to \$17.4 million for the previous fiscal year.

The customer base for utility service has grown over the past several years. At this time, no slow down in the growth of the utility service area is anticipated. Reserve funds and fund balance will be monitored to keep up with the demand for utility services.

Operating revenues of the **transportation fund** have remained steady over the past several years. Under Federal Section 9 funding, the Federal Government reimburses the City at a rate of 50% of transit expenses, with the City funding the remaining 50%. For the planning and capital expenses, Federal and State agencies reimburse the City 80% and 10% respectively, with the City absorbing the final 10%. The General Fund transferred a total of \$202,439 in order to subsidize the transportation system during the fiscal year. The City Council has supported the transit system as a needed service to Greenville citizens and will fund the system with General Fund resources at a reasonable level.

Internal Service Funds. Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The City has one Internal Service Fund, which is the **Joint Dental Reimbursement Fund**. This fund is used to account for the financing of the City and Greenville Utilities Commissions joint dental insurance program.

Cash Management. Cash temporarily idle during the year was invested in **certificates of deposits, obligations of the U.S. Treasury, government agencies and commercial paper**. The maturities of the investments generally range from 90 days to five years, with an average maturity being 24 months. The interest earned on investments provides an important source of income for the City. The City cash management program generated interest earnings of \$2,304,462 for the fiscal year ended June 30, 2005. The City will continue to strengthen its portfolio and use competitive pricing for its investment decisions, while still maintaining **safety and liquidity** ahead of yield.

Debt Administration. Debt service requirements of the City are satisfied by an accumulation of resources in a separate **Debt Service Fund**. The accumulation is derived from payments made by the General Fund and the Utilities Funds. The City has issued general obligation bonds, revenue bonds, and certificates of participation. General obligation bonds attributable to the electric, water, sewer, and gas systems are paid from revenues of the respective systems.

The City of Greenville currently has total outstanding debt in the amount of \$132.7 million. Of this amount, \$91.3 million is payable from the revenues of the Enterprise Funds, primarily utilities. The ratio of net bonded debt (net of enterprise debt) to assessed valuation and the amount of bonded debt per capita are useful indications of the City's position to management, citizens, and investors. The net bonded debt situation at June 30, 2005 was as follows:

<u>Net Bonded Debt</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
47,758,689	1.03	584

Outstanding general obligation bonds at June 30, 2005 amounted to \$13,690,000 with \$6,885,000 being payable from enterprise fund revenues. The General Statutes state that units of local government in North Carolina may not incur general long-term debt exceeding 8% of the appraised value of property subject to taxation.

Risk Management. The City of Greenville has maintained emphasis on loss control and safety programs through the years. Our concern in these areas is threefold: first, by providing a safe working environment for our employees we can continue uninterrupted service to the citizens of Greenville; second, we can assure that we are in full compliance with State and Federal regulations; and third, we can obtain insurance coverage at a more favorable cost. We take great pride in being one of the safest and most insurable cities in North Carolina.

The City provides for property, liability, and Workers Compensation coverage through a third party insurance carrier and a self-insured program. The City's deductible varies based on the type of insurance policy. Workers Compensation is provided at statutory limits. The City also offers health insurance coverage to its employees through an independent insurance carrier. The City offers basic dental coverage of up to \$1000 per covered participant annually. Orthodontic coverage of up to \$2,000 a lifetime per participant is also allowed.

OTHER INFORMATION

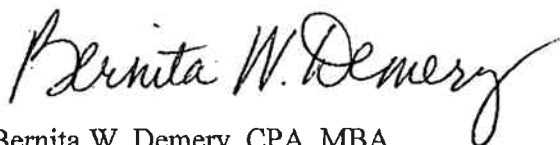
Independent Audit. The General Statutes of North Carolina require an independent financial and single audit of all local governmental units in the State. **Martin Starnes & Associates**, a firm of independent Certified Public Accountants, has audited the basic financial statements of the City and their opinion dated **August 26, 2005**, has been included in this report.

Their audit was made in accordance with generally accepted auditing standards and, accordingly, included tests of the accounting records and other auditing procedures, as they considered necessary under the circumstances. Their **unqualified opinion** indicated that the accompanying basic financial statements have been prepared in conformity with generally accepted accounting principles.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a **Certificate of Achievement for Excellence in Financial Reporting** to the City of Greenville for its comprehensive annual financial report for the fiscal year ended June 30, 2004. The Certificate of Achievement is the **highest form of recognition** for excellence in State and Local Government Financial Reporting. A Certificate of Achievement is valid for a period of one year only. The City of Greenville has received a Certificate of Achievement for the **last sixteen consecutive fiscal years** ending June 30, 1989 - June 30, 2004. We believe our current report continues to conform to the Certificate of Achievement Program requirements; therefore, we are submitting it to GFOA for consideration.

Acknowledgments. This report reflects the result of the daily responsibilities of **all employees of the Financial Services Department**. Their overall dedication to the common goals of sound financial management and solid internal controls is demonstrated throughout the report and resulted in the "unqualified" opinions. This commitment has been exemplified in the drive to maintain the Certificate of Achievement. Deserving special commendation are all of the skilled, talented, and dedicated employees --- the work force of the City of Greenville. Sincere appreciation also goes out to the Greenville City Council, for being supportive of these same efforts, and setting policy congruent with financial growth and stability.

Respectfully submitted,



Bernita W. Demery, CPA, MBA
Director of Financial Services

November 11, 2005

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Greenville,
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

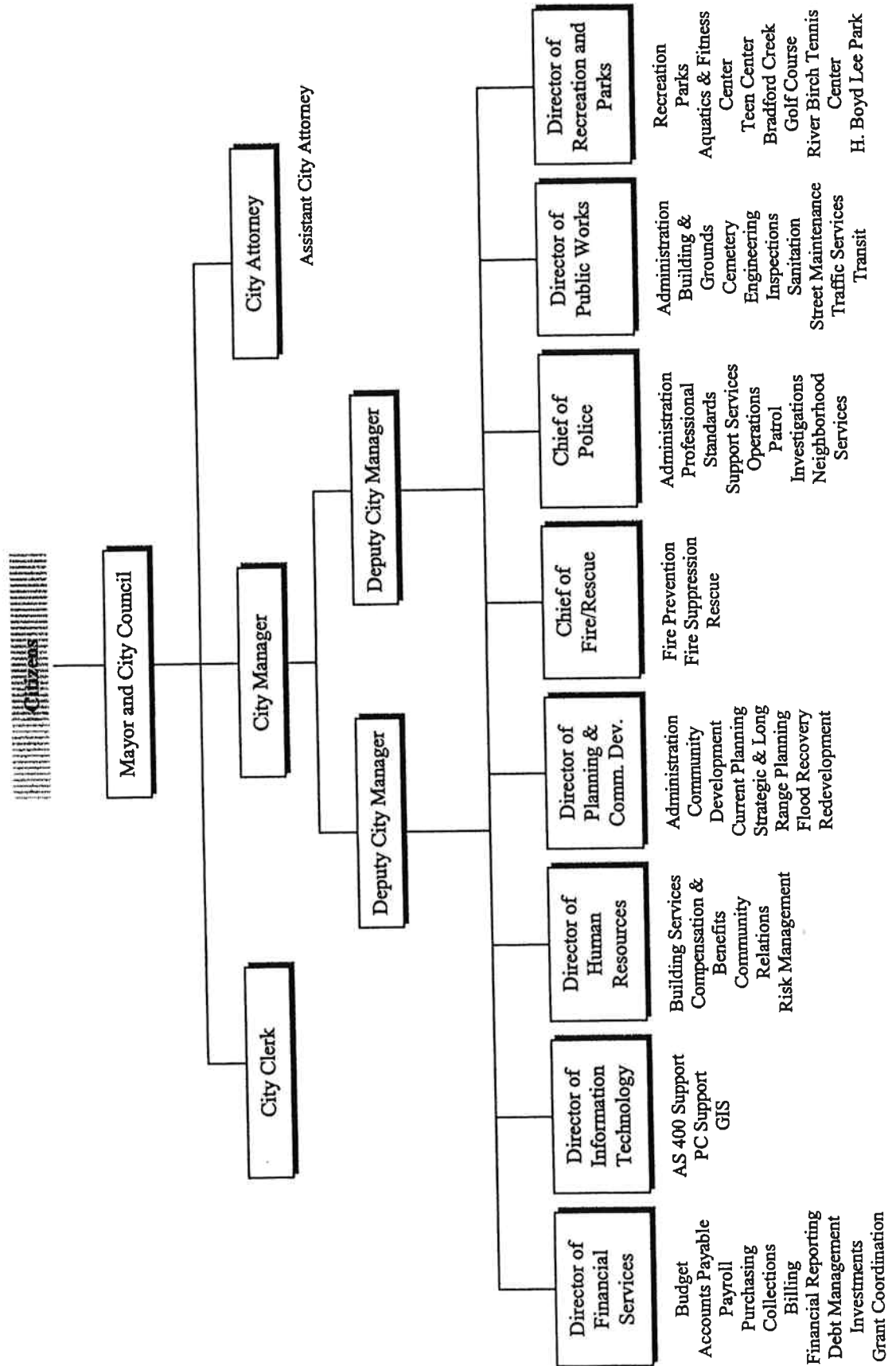
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

CITY OF GREENVILLE ORGANIZATIONAL CHART



CITY OF GREENVILLE, NORTH CAROLINA
City Council Members, City Officials and
Greenville Utilities Commission Board of Commissioners

CITY OF GREENVILLE
MAYOR AND CITY COUNCIL

Don Parrott, Mayor
Ric Miller, Mayor Pro-Tem

Mildred A. Council
Ray Craft
Pat Dunn

Rose H. Glover
Chip Little

CITY OFFICIALS

Wayne Bowers
Marvin W. Davis
Bill Richardson
Dave A. Holec
Wanda T. Elks
Bernita W. Demery
S. Rex Wilder
Thomas N. Tysinger, Jr.
Michael Burton
Geraldine C. Dail
Merrill Flood
Joe M. Simonowich
H. Boyd Lee, Jr.

City Manager
Deputy City Manager
Deputy City Manager
City Attorney
City Clerk
Director of Financial Services
Director of Information Technology
Director of Public Works
Chief of Fire/Rescue
Director of Human Resources
Director of Planning and Community Development
Chief of Police
Director of Recreation and Parks

GREENVILLE UTILITIES COMMISSION
BOARD OF COMMISSIONERS

Chris E. Jenkins, Chair
Bryant Kittrell, Vice Chair

Wayne Bowers, City Manager
Lester Z. Brown
Faye Taylor

Wayne Powell, Secretary
Lynne Evans
Louis Zincone

GREENVILLE UTILITIES COMMISSION OFFICIALS

Ron D. Elks

General Manager

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FINANCIAL SECTION

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Martin Starnes & Associates, CPAs, P.A.

A Professional Association of Certified Public Accountants and Management Consultants

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the City Council
City of Greenville, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenville, North Carolina, as of and for the year ended June 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Greenville's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Greenville, North Carolina, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 26, 2005, on our consideration of City of Greenville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis, employer contributions and the notes to the required schedules of Funding Progress, Employer Contributions, and Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion thereon.

Our audit was performed for the purpose of forming an opinion on financial statements that collectively comprise the basic financial statements of City of Greenville, North Carolina. The introductory information, combining and individual nonmajor fund financial statements and schedules and the statistical tables, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Not-Profit Organizations*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the accompanying schedule of expenditures of federal and State awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. The introductory information and the statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Martin Starnes & Associates CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
August 26, 2005

Management's Discussion and Analysis

As management of the City of Greenville, we offer readers of the City of Greenville's financial statements this narrative overview and analysis of the financial activities of the City of Greenville for the fiscal year ended June 30, 2005. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

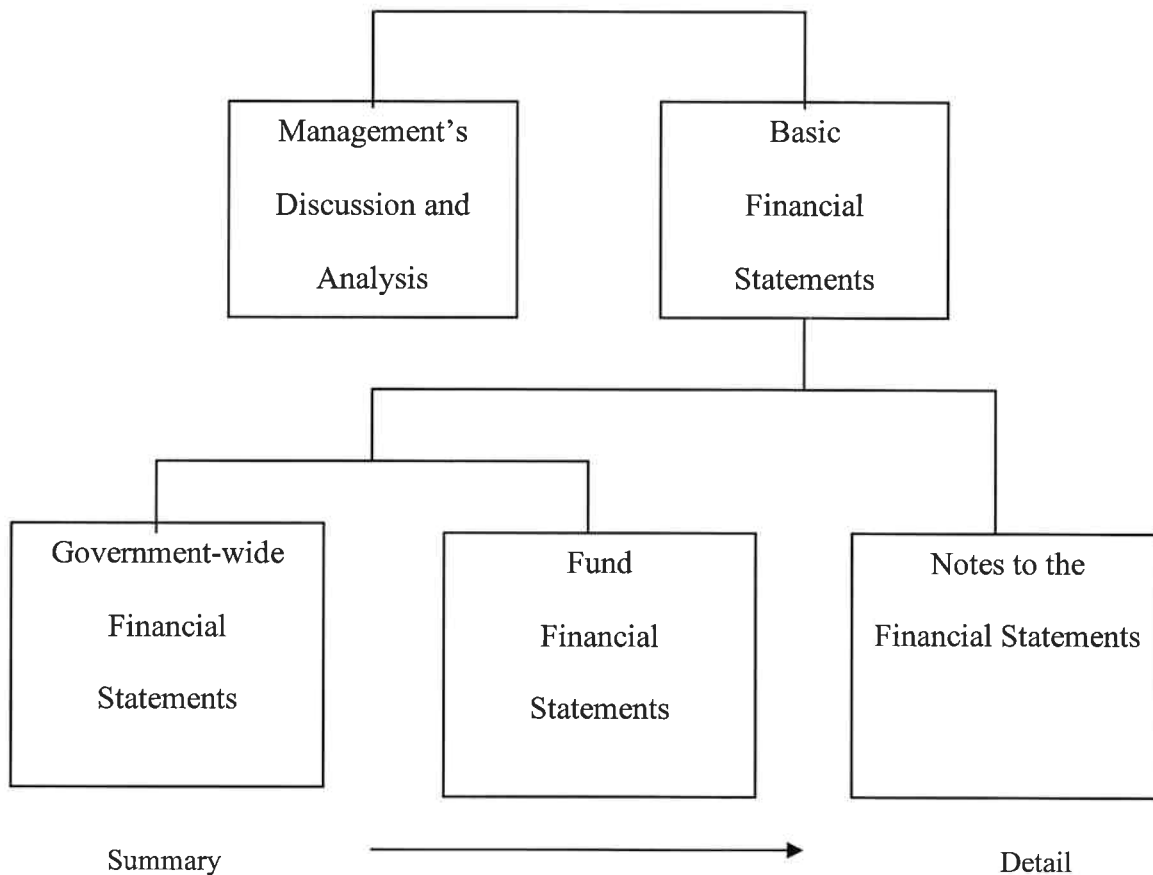
- The assets of the City of Greenville's governmental activities exceeded its liabilities at the close of the fiscal year by \$83,794,085 (*net assets*). Of this amount, \$44,354,555 can be used to meet the City's ongoing obligations to citizens and creditors.
- The City's net assets of governmental activities increased by \$7,227,039.
- As of the close of the current fiscal year, the City of Greenville's governmental funds reported combined ending fund balances of \$46,850,910 an increase of \$14,746,807 in comparison with the prior year. Some of this increase was because of the continued overall growth in both the tax base and sales tax. Approximately 79 percent of this total amount, or \$37,019,127 is available for spending at the City's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$16,772,581 or 35 percent of total general fund expenditures for the fiscal year.
- The City of Greenville's total debt increased by \$9,571,280 (7.8%) during the current fiscal year. The key factors in this minimal net increase were new loans issued and the retirement of general obligation and revenue bonds.
- Property taxes and sales tax are the two largest sources of revenues and make up over 50% of the total revenues for governmental services to the citizens and the community in 2005.
- The City implemented a tax rate of \$.56 for fiscal year 2005 based on a re-valued property tax base.
- The City has maintained the Certificate of Achievement for excellence in Financial Reporting for the 16th consecutive year.
- The City of Greenville holds an Aa bond rating with Moody's and an AA with Standard & Poor's.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Greenville's basic financial statements. The City's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Greenville.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits A and B) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements (Exhibits C through I) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the City's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net assets and how they have changed. Net assets are the difference between the City's total assets and total liabilities. Measuring net assets is one way to gauge the City's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the City's basic services such as general administration, public safety, transportation, environmental protection, cultural and recreational, and economic and physical development. Property taxes, other taxes, charges for services, and state and federal grant funds finance most of these activities. The business-type activities are those that the City charges customers to provide. These include the electric, water, sewer, gas, transportation, aquatics and fitness, and golf course services offered by the City of Greenville. The government-wide financial statements are on Exhibits A and B of this report.

Fund Financial Statements

The fund financial statements (see Figure 2) provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Greenville, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of the City of Greenville can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Greenville adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the City Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the City Council; 2) the final budget as amended by the City Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the

actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – The City of Greenville has two different kinds of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Greenville uses enterprise funds to account for its electric, water, sewer, gas, transportation, aquatics and fitness, and golf course activity. These funds are the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of City of Greenville and Greenville Utilities Commission. The City uses an internal service fund to account for two activities – its joint dental reimbursement and health insurance funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow Exhibit I of this report.

Government-Wide Financial Analysis

The following is a summary of net assets as of June 30, 2005 (as shown in Exhibit A) with comparative data for June 30, 2004.

City of Greenville's Net Assets

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 54,470,766	\$ 39,931,610	\$ 78,244,464	\$ 84,644,951	\$ 132,715,230	\$ 124,576,561
Capital assets, non depreciable	42,171,892	36,256,756	31,038,588	68,405,983	73,210,480	104,662,739
Capital assets, net	37,396,805	32,036,385	253,039,239	204,630,292	290,436,044	236,666,677
Total assets	\$ 134,039,463	\$ 108,224,751	\$ 362,322,291	\$ 357,681,226	\$ 496,361,754	\$ 465,905,977
Long-term liabilities outstanding	\$ 44,938,716	\$ 24,241,262	\$ 92,133,292	\$ 88,608,744	\$ 137,072,008	\$ 112,850,006
Other liabilities	5,306,662	12,808,304	21,994,456	29,013,905	27,301,118	41,822,209
Total liabilities	50,245,378	37,049,566	114,127,748	117,622,649	164,373,126	154,672,215
Net assets:						
Invested in capital assets, net of related debt	38,196,527	45,055,612	198,000,719	184,616,161	236,197,246	229,671,773
Restricted	1,243,003	415,690	-	-	1,243,003	415,690
Unrestricted	44,354,555	25,703,883	50,193,824	55,442,416	94,548,379	81,146,299
Total net assets	\$ 83,794,085	\$ 71,175,185	\$ 248,194,543	\$ 240,058,577	\$ 331,988,628	\$ 311,233,762

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the City of Greenville's governmental activities exceeded its liabilities at the close of the fiscal year by \$83,794,085 (*net assets*). Of this amount, \$44,354,555 can be used to meet the city's ongoing obligations to citizens and creditors.

The City of Greenville's net assets of governmental activities increased \$7,227,039. The City of Greenville uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Greenville's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the City of Greenville is able to report positive balances in both governmental and business-type net assets for the City as a whole. The same situation held true for the prior fiscal year as detailed in the changes in net assets.

City of Greenville's Changes in Net Assets
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$ 11,118,553	\$ 9,683,750	\$ 196,119,806	\$ 185,286,638	\$ 207,238,359	\$ 194,970,388
Operating grants and contributions	3,772,002	3,563,789	907,569	569,464	4,679,571	4,133,253
Capital grants and contributions	2,770,119	3,085,547	3,111,712	372,479	5,881,831	3,458,026
General revenues:						
Ad valorem taxes	21,439,499	18,624,227	-	-	21,439,499	18,624,227
Other taxes	12,483,571	11,307,239	-	-	12,483,571	11,307,239
Unrestricted grants	3,984,691	3,831,583	-	-	3,984,691	3,831,583
Other	963,576	944,962	1,340,886	2,927,498	2,304,462	3,872,460
Total revenues	<u>56,532,011</u>	<u>51,041,097</u>	<u>201,479,973</u>	<u>189,156,079</u>	<u>258,011,984</u>	<u>240,197,176</u>
Expenses:						
General government	13,023,132	12,750,156	-	-	13,023,132	12,750,156
Public safety	23,705,503	21,925,112	-	-	23,705,503	21,925,112
Transportation	2,897,180	3,543,250	-	-	2,897,180	3,543,250
Environmental protection	3,568,229	3,290,175	-	-	3,568,229	3,290,175
Cultural and recreational	6,626,456	7,698,538	-	-	6,626,456	7,698,538
Economic and physical development	1,932,449	2,125,394	-	-	1,932,449	2,125,394
Interest and fees	1,697,571	1,167,884	-	-	1,697,571	1,167,884
Electric	-	-	133,698,493	130,598,165	133,698,493	130,598,165
Water	-	-	12,302,339	10,018,739	12,302,339	10,018,739
Sewer	-	-	10,931,404	10,233,064	10,931,404	10,233,064
Gas	-	-	28,357,571	22,751,802	28,357,571	22,751,802
Public transportation	-	-	1,000,510	918,688	1,000,510	918,688
Acquatics and fitness center	-	-	536,944	547,644	536,944	547,644
Bradford Creek Golf Course	-	-	824,892	791,296	824,892	791,296
Stormwater utility	-	-	1,546,314	1,277,002	1,546,314	1,277,002
Total expenses	<u>53,450,520</u>	<u>52,500,509</u>	<u>189,198,467</u>	<u>177,136,400</u>	<u>242,648,987</u>	<u>229,636,909</u>
Increase in net assets before transfers	3,081,491	(1,459,412)	12,281,506	12,019,679	15,362,997	10,560,267
Transfers	<u>4,145,548</u>	<u>4,601,320</u>	<u>(4,145,548)</u>	<u>(4,601,320)</u>	<u>-</u>	<u>-</u>
Increase in net assets	<u>7,227,039</u>	<u>3,141,908</u>	<u>8,135,958</u>	<u>7,418,359</u>	<u>15,362,997</u>	<u>10,560,267</u>
Net assets, July 1	71,175,185	68,033,277	240,058,585	232,640,226	311,233,770	300,673,503
Prior period adjustment	<u>5,391,861</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,391,861</u>	<u>-</u>
Net assets, July 1, restated	<u>76,567,046</u>	<u>68,033,277</u>	<u>240,058,585</u>	<u>232,640,226</u>	<u>316,625,631</u>	<u>300,673,503</u>
Net assets, June 30	<u>\$ 83,794,085</u>	<u>\$ 71,175,185</u>	<u>\$ 248,194,543</u>	<u>\$ 240,058,585</u>	<u>\$ 331,988,628</u>	<u>\$ 311,233,770</u>

Governmental Activities. Governmental activities increased the City's net assets by \$7,227,039. Of total net assets, governmental activities accounted for \$83,794,085 (25%). The growth in overall city revenues, particularly property and sales tax, were key elements of the increase.

Business-type Activities. Business-type activities increased the City of Greenville's net assets by \$8,135,958 accounting for 53% of the total growth in the government's net assets.

The assets of the Greenville Utilities Commission (Commission) exceeded its liabilities at the close of the fiscal year by \$248,194,543 (net assets). Of this amount \$50,193,824 (unrestricted net assets) may be used to meet the Commission's ongoing obligations to its customers and creditors.

Financial Analysis of the City's Funds

As noted earlier, the City of Greenville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Greenville's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Greenville's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Greenville. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$16,772,581, while total fund balance reached \$26,521,729. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 35% of total General Fund expenditures, while total fund balance represents 55% of that same amount. At June 30, 2005, the governmental funds of City of Greenville reported a combined fund balance of \$46,850,910, a 49% increase over last year. The changes in fund balance are detailed in the notes to the financial statements.

General Fund Budgetary Highlights: During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$786,988.

Revenues were greater than the budgeted amounts primarily due to Property and Sales taxes. Additionally, inspection fees were on the rise because of new construction.

Proprietary Funds. The City of Greenville's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City of Greenville's business-type activities.

Capital Asset and Debt Administration

Capital Assets. The City of Greenville's investment in capital assets for its governmental and business-type activities as of June 30, 2005, totals \$363,646,524 (net of accumulated depreciation). At June 30, 2005, the City of Greenville is obligated for \$27,876,389 in construction contract commitments. Of this amount, \$27,831,047 is related to water, sewer, and wastewater construction contracts. The remaining contract commitments are for major road projects, parks, a convention center, and flood recovery related projects. These commitments are fully budgeted. No major demolitions were recorded during the year.

City of Greenville's Capital Assets
Figure 4

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 35,018,978	\$ 34,636,309	\$ 6,126,639	\$ 5,743,576	\$ 41,145,617	\$ 40,379,885
Construction in progress	7,152,914	1,557,304	27,876,389	30,030,319	35,029,303	31,587,623
Buildings	31,582,722	31,037,467	101,871,926	91,017,892	133,454,648	122,055,359
Improvements other than buildings	4,430,476	3,151,188	619,427	625,639	5,049,903	3,776,827
Infrastructure	6,328,027	4,961,148	-	-	6,328,027	4,961,148
Machinery and equipment	26,790,331	25,761,653	3,384,586	2,992,703	30,174,917	28,754,356
Land rights	-	-	368,768	368,768	368,768	368,768
Furniture and office equipment	-	-	6,909,706	4,741,644	6,909,706	4,741,644
Vehicles and equipment	-	-	15,262,841	14,612,217	15,262,841	14,612,217
Distribution systems	-	-	270,708,355	258,193,784	270,708,355	258,193,784
Transmission systems	-	-	20,004,542	19,942,745	20,004,542	19,942,745
Subtotal	111,303,448	101,105,069	453,133,179	428,269,287	564,436,627	529,374,356
Accumulated depreciation	(31,734,750)	(29,206,825)	(169,055,352)	(155,239,278)	(200,790,102)	(184,446,103)
Capital assets, net	<u>\$ 79,568,698</u>	<u>\$ 71,898,244</u>	<u>\$ 284,077,827</u>	<u>\$ 273,030,009</u>	<u>\$ 363,646,525</u>	<u>\$ 344,928,253</u>

Additional information on the City's capital assets can be found in the notes on pages in note 3A of this report.

Long-term Debt. As of June 30, 2005, the City of Greenville had total debt outstanding of \$132,711,553. Of this, \$13,690,000 is debt backed by the full faith and credit of the City. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds) or building (i.e. certificates of participation) and equipment (i.e. installment purchase contracts and loans).

City of Greenville's Outstanding Debt
General Obligation and Revenue Bonds
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
General Obligation Bonds	\$ 6,805,000	\$ 7,455,000	\$ 6,885,000	\$ 8,090,000	\$ 13,690,000	\$ 15,545,000
State Revolving Loan, Lease						
Purchases & COPS	28,662,170	12,973,097	19,607,857	19,243,585	48,270,027	32,216,682
Revenue Bonds	5,905,000	6,160,000	64,846,526	69,218,591	70,751,526	75,378,591
Total	<u>\$ 41,372,170</u>	<u>\$ 26,588,097</u>	<u>\$ 91,339,383</u>	<u>\$ 96,552,176</u>	<u>\$ 132,711,553</u>	<u>\$ 123,140,273</u>

Total debt increased by \$9,571,280 (7.8%) during the current fiscal year. The issuance of approximately \$16 million of COPS and approximately \$3.7 million of other types of debt (including installment purchase contracts) attributes to this increase.

Currently, the City's bond rating is AA by Standard and Poor's and Aa by Moody's. The City's bond rating was upgraded during the fall of 2004 by Standard and Poor's from AA- to AA. The City of Greenville is one of few cities in eastern North Carolina that maintains this high financial rating from both major rating agencies. This achievement is a primary factor in keeping interest costs low on the City's outstanding debt.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for City of Greenville is \$256,946,026.

Additional information regarding the City of Greenville's long-term debt can be found in the notes to the financial statements in note 3B of this report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth of the City.

- The United States Department of Commerce, Bureau of Census, and the North Carolina Office of State Planning has recorded the population of the City to be as follows:

<u>1980</u>	<u>1990</u>	<u>2005</u>
35,740	46,305	67,525

- Growth in assessed values. The assessed valuation of property for fiscal year 2004-2005 was \$3,808,808,941 up approximately \$715.3 million from the previous year. A significant portion of the increase in property taxes is attributed to the increase in new construction and renovations.
- Sales tax growth. Even with the local and national economy suffering, sales tax growth continues to be more than national and state averages for Greenville. Greenville's average growth was approximately 10%.

Budget Highlights for the Fiscal Year Ending June 30, 2006

Governmental Activities: Budgeted expenditures in the General Fund are expected to increase to \$61,281,745. This amount represents a 10% increase over the original budget adopted for the prior fiscal year. The projected increases in both property and sales tax are a reflection of the continuing growth in the local economy.

Business – type Activities: Operating revenues for all of the utility funds for the year ended June 30, 2005 totaled \$190,645,680 compared to \$182,892,688 for the preceding year, an increase of \$7,752,992. The total growth as measured by the increase in retail customers was 4%.

The Commission will include rate increases of 5% for water. The electric rates will also increase due to a 5.2% electric fuel adjustment increase and a 1% wholesale increase levied by the supplier. The increases are necessary to fund system expansion and improvement projects and to insure the long-term viability of the funds. Operating expenses are expected to increase by 6.3% to cover increased personnel costs, system maintenance, debt service, general operations, and purchased commodities.

Requests for Information

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Financial Services, City of Greenville, 201 Martin Luther King, Jr., Dr., Greenville, NC 27834.

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BASIC FINANCIAL STATEMENTS

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CITY OF GREENVILLE, NORTH CAROLINA

STATEMENT OF NET ASSETS

JUNE 30, 2005

	Governmental	Business	
	Activities	Type	
	Activities	Activities	Total
Assets:			
Cash and cash equivalents	\$ 47,741,885	\$ 49,924,256	\$ 97,666,141
Taxes and licenses receivable, net	1,039,305	-	1,039,305
Accounts receivable, net	1,784,288	18,804,523	20,588,811
Interest receivable	3,499	-	3,499
Loans receivable	462,310	-	462,310
Due from other governments	2,513,360	1,626,011	4,139,371
Inventories	94,941	3,406,070	3,501,011
Prepaid items and deposits	603,694	70,544	674,238
Internal balances	227,484	(227,484)	-
Cash and cash equivalents, restricted	-	4,640,544	4,640,544
Land, improvements and construction in progress	42,171,892	34,003,028	76,174,920
Other capital assets, net of depreciation	37,396,805	250,074,799	287,471,604
Total assets	\$ 134,039,463	\$ 362,322,291	\$ 496,361,754
Liabilities:			
Accounts payable and accrued liabilities	\$ 3,474,992	\$ 16,950,630	\$ 20,425,622
Customer deposits	-	2,321,635	2,321,635
Accrued interest payable	-	1,411,098	1,411,098
Due to other governments	-	64,691	64,691
Other liabilities	524,445	-	524,445
Unearned revenue	1,307,225	1,246,402	2,553,627
Current portion of long-term debt	4,436,903	8,549,211	12,986,114
Long-Term Liabilities:			
Noncurrent portion of long-term debt	40,501,813	83,584,081	124,085,894
Total liabilities	50,245,378	114,127,748	164,373,126
Net Assets:			
Investments in capital assets, net of related debt	38,196,527	198,000,719	236,197,246
Restricted for streets	1,243,003	-	1,243,003
Unrestricted	44,354,555	50,193,824	94,548,379
Total net assets	\$ 83,794,085	\$ 248,194,543	\$ 331,988,628

The notes to the financial statements are an integral part of this statement.

CITY OF GREENVILLE, NORTH CAROLINA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2005

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 13,023,132	\$ 3,327,635	\$ 468,924	\$ -
Public safety	23,705,503	2,518,094	424,462	-
Transportation	2,897,180	160,671	127,197	2,556,579
Environmental protection	3,568,229	3,880,096	-	-
Cultural and recreational	6,626,456	876,154	781,368	34,286
Economic and physical development	1,932,449	355,903	1,970,051	179,254
Interest and fees	1,697,571	-	-	-
Total governmental activities	53,450,520	11,118,553	3,772,002	2,770,119
Business-Type Activities:				
Electric	133,698,493	138,528,124	-	-
Water	12,302,339	10,298,001	-	1,061,144
Sewer	10,931,404	12,205,689	-	2,050,568
Gas	28,357,571	30,896,530	-	-
Public transportation	1,000,510	113,630	907,569	-
Aquatics and fitness center	536,944	523,252	-	-
Bradford Creek Golf Course	824,892	885,649	-	-
Stormwater utility	1,546,314	2,668,931	-	-
Total business-type activities	189,198,467	196,119,806	907,569	3,111,712
Total primary government	\$ 242,648,987	\$ 207,238,359	\$ 4,679,571	\$ 5,881,831

General Revenues:

Ad valorem taxes
Sales and use taxes
Other taxes
Unrestricted grants
Investment earnings
Transfers
Total general revenues and transfers

Change in net assets

Net assets - beginning
Prior period adjustment
Net assets - beginning, restated

Net assets - ending

The notes to the financial statements are in integral part of this statement.

Exhibit B

Net (Expense) Revenue and

Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (9,226,573)	\$ -	\$ (9,226,573)
(20,762,947)	-	(20,762,947)
(52,733)	-	(52,733)
311,867	-	311,867
(4,934,648)	-	(4,934,648)
572,759	-	572,759
(1,697,571)	-	(1,697,571)
(35,789,846)	-	(35,789,846)
-	4,829,631	4,829,631
-	(943,194)	(943,194)
-	3,324,853	3,324,853
-	2,538,959	2,538,959
-	20,689	20,689
-	(13,692)	(13,692)
-	60,757	60,757
-	1,122,617	1,122,617
-	10,940,620	10,940,620
(35,789,846)	10,940,620	(24,849,226)
21,439,499	-	21,439,499
11,414,678	-	11,414,678
1,068,893	-	1,068,893
3,984,691	-	3,984,691
963,576	1,340,886	2,304,462
4,145,548	(4,145,548)	-
43,016,885	(2,804,662)	40,212,223
7,227,039	8,135,958	15,362,997
71,175,185	240,058,585	311,233,770
5,391,861	-	5,391,861
76,567,046	240,058,585	316,625,631
\$ 83,794,085	\$ 248,194,543	\$ 331,988,628

CITY OF GREENVILLE, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Cash and cash equivalents	\$ 25,939,154	\$ 21,734,013	\$ 47,673,167
Taxes and licenses receivable, net	1,039,305	-	1,039,305
Accounts receivable, net	1,783,394	894	1,784,288
Interest receivable	-	3,499	3,499
Loans receivable	-	462,310	462,310
Due from other funds	1,823,552	1,580	1,825,132
Due from other governments	2,393,988	119,372	2,513,360
Inventories	94,941	-	94,941
Prepaid items and deposits	550,688	53,006	603,694
Total assets	<u>\$ 33,625,022</u>	<u>\$ 22,374,674</u>	<u>\$ 55,999,696</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 3,426,492	\$ 48,500	\$ 3,474,992
Due to other funds	37,580	1,528,274	1,565,854
Other liabilities	524,445	-	524,445
Deferred revenue	3,114,776	468,719	3,583,495
Total liabilities	<u>7,103,293</u>	<u>2,045,493</u>	<u>9,148,786</u>
Fund Balances:			
Reserved by State Statute	5,232,688	29,629	5,262,317
Reserved for encumbrances	2,627,828	-	2,627,828
Reserved for prepaid items and inventories	645,629	53,006	698,635
Reserved for Streets - Powell Bill	1,243,003	-	1,243,003
Designated for subsequent year's expenditures	681,255	-	681,255
Designated for future catastrophic losses	2,927,187	-	2,927,187
Unreserved, undesignated fund balance	13,164,139	-	13,164,139
Unreserved Fund Balance Reported In:			
Special revenue	-	7,158,464	7,158,464
Debt service	-	1,313,208	1,313,208
Capital projects	-	11,774,874	11,774,874
Total fund balance	<u>26,521,729</u>	<u>20,329,181</u>	<u>46,850,910</u>
Total liabilities and fund balances	<u>\$ 33,625,022</u>	<u>\$ 22,374,674</u>	
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial and, therefore, are not reported in the funds			79,568,698
Deferred revenues in the governmental funds are used to offset accounts receivable not expected to be available within 60 days of year end. These receivables are a component of net assets in the statement of net assets			2,276,270
Internal service funds are used by management to charge the costs of dental insurance costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.			36,923
Long-term liabilities, compensated absences, and unfunded pension obligation are not due and payable in the current period and therefore, are not reported in the funds.			(44,938,716)
Net assets of governmental activities			<u>\$ 83,794,085</u>

The notes to the financial statements are an integral part of this statement.

CITY OF GREENVILLE, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Ad valorem taxes	\$ 21,324,960	\$ -	\$ 21,324,960
Other taxes	11,935,887	547,684	12,483,571
Unrestricted intergovernmental	3,984,691	-	3,984,691
Restricted intergovernmental	3,052,463	3,489,658	6,542,121
Licenses, permits and fees	7,199,177	-	7,199,177
Sales and services	3,825,211	226,248	4,051,459
Investment earnings	596,187	366,291	962,478
Other revenues	244,074	379,438	623,512
Total revenues	52,162,650	5,009,319	57,171,969
Expenditures:			
Current:			
General government	13,022,131	-	13,022,131
Public safety	23,762,881	-	23,762,881
Transportation	3,464,672	-	3,464,672
Environmental protection	3,367,407	-	3,367,407
Cultural and recreational	4,387,478	1,741,625	6,129,103
Economic and physical development	-	1,932,449	1,932,449
Capital outlay	-	7,978,570	7,978,570
Debt Service:			
Principal retirement	-	3,611,981	3,611,981
Interest and fees	-	1,697,571	1,697,571
Total expenditures	48,004,569	16,962,196	64,966,765
Excess (deficiency) of revenues over (under) expenditures	4,158,081	(11,952,877)	(7,794,796)
Other Financing Sources (Uses):			
Transfers from other funds	4,521,111	8,627,080	13,148,191
Transfers to other funds	(8,206,549)	(796,093)	(9,002,642)
Long term debt issued	2,411,054	15,985,000	18,396,054
Total other financing sources (uses)	(1,274,384)	23,815,987	22,541,603
Net change in fund balances	2,883,697	11,863,110	14,746,807
Fund balances, beginning of year	23,031,474	8,466,071	31,497,545
Prior period adjustment	606,558	-	606,558
Fund balances, beginning of year - restated	23,638,032	8,466,071	32,104,103
Fund balances, end of year	\$ 26,521,729	\$ 20,329,181	\$ 46,850,910

The notes to the financial statements are an integral part of this statement.

CITY OF GREENVILLE, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF
 REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2005

Net change in fund balances - total governmental funds	\$ 14,746,807
Capital outlays are reported as expenditures in the governmental fund statement. However, in the statement of activities, capital outlay is not an expense, rather it is an increase in capital assets	11,159,082
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental fund statements.	(2,538,443)
There are differences in the revenues in the statement of activities and revenues in the funds for:	
Property tax	114,539
Sales and services and other revenues	(121,592)
Expenses related to compensated absences and law enforcement officer's separation allowance that do not require current financial resources are not reported as expenditures in the governmental fund statement.	(386,510)
Proceeds from issuance of long-term debt are reported as revenues in the governmental fund statement. However, in the statement of activities, it is not a revenue, rather it is an increase in liabilities.	(18,396,054)
Principal repayments on long-term debt are reported as expenditures in the governmental fund statement. However, in the statement of activities, these transactions are not an expense, rather they are a decrease in liabilities.	3,611,981
Gain (loss) on disposal of capital assets is reported in the statement of activities but not the fund statements	(971,221)
The internal service fund is used by management to charge the costs of dental insurance costs. The net revenue of the internal service fund is determined to be governmental-type.	<u>8,450</u>
Change in net assets of governmental activities	<u>\$ 7,227,039</u>

The notes to the financial statements are an integral part of this statement.

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL FUND - BUDGET AND ACTUAL

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2005

	General Fund			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 21,136,302	\$ 21,141,302	\$ 21,324,960	\$ 183,658
Other taxes	10,986,967	10,986,967	11,935,887	948,920
Unrestricted intergovernmental	3,952,694	3,952,694	3,984,691	31,997
Restricted intergovernmental	2,570,188	3,245,473	3,052,463	(193,010)
Licenses, permits and fees	6,663,558	6,663,558	7,199,177	535,619
Sales and services	2,883,703	2,956,406	3,825,211	868,805
Investment earnings	119,662	119,662	596,187	476,525
Other revenues	118,796	152,796	244,074	91,278
Total revenues	48,431,870	49,218,858	52,162,650	2,943,792
Expenditures:				
Current:				
General government	13,995,129	14,957,422	13,022,131	1,935,291
Public safety	24,050,979	26,021,115	23,762,881	2,258,234
Transportation	4,015,624	5,031,756	3,464,672	1,567,084
Environmental protection	3,462,348	3,577,656	3,367,407	210,249
Cultural and recreational	4,062,295	4,522,950	4,387,478	135,472
Total expenditures	49,586,375	54,110,899	48,004,569	6,106,330
Revenues over (under) expenditures	(1,154,505)	(4,892,041)	4,158,081	9,050,122
Other Financing Sources (Uses):				
Transfers from other funds	4,669,035	4,745,747	4,521,111	(224,636)
Transfers to other funds	(5,947,917)	(8,283,812)	(8,206,549)	77,263
Issuance of long-term debt	1,893,054	2,411,054	2,411,054	-
Contingency	(100,000)	(250,107)	-	250,107
Appropriated fund balance	640,333	6,269,159	-	(6,269,159)
Total other financing sources (uses)	1,154,505	4,892,041	(1,274,384)	(6,166,425)
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ -	2,883,697	\$ 2,883,697
Fund balances, beginning of year			23,031,474	
Prior period adjustment			606,558	
Fund balances, beginning of year - restated			23,638,032	
Fund balances, end of year			\$ 26,521,729	

The notes to the financial statements are an integral part of this statement.

CITY OF GREENVILLE, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2005

	Electric Fund	Water Fund	Sewer Fund	Gas Fund
Assets:				
Current Assets:				
Cash and cash equivalents	\$ 9,493,665	\$ 795,950	\$ 2,217,695	\$ 1,181,819
Investments	23,814,378	1,996,345	5,563,568	2,963,844
Accounts receivable, net	14,888,894	1,138,105	1,183,835	1,570,514
Due from other governments	596,515	82,196	119,704	33,057
Due from other funds	-	-	-	-
Inventories	2,433,540	457,753	88,477	412,103
Prepaid items and deposits	50,236	4,077	4,618	10,751
Cash and cash equivalents, restricted	592,479	1,813,844	1,552,581	681,640
Total current assets	<u>51,869,707</u>	<u>6,288,270</u>	<u>10,730,478</u>	<u>6,853,728</u>
Noncurrent Assets:				
Capital assets, net	67,336,643	71,123,062	82,235,417	26,814,723
Land improvements and construction in progress	<u>2,176,872</u>	<u>9,029,651</u>	<u>19,830,151</u>	<u>299,164</u>
Total noncurrent assets	<u>69,513,515</u>	<u>80,152,713</u>	<u>102,065,568</u>	<u>27,113,887</u>
Total assets	<u>\$ 121,383,222</u>	<u>\$ 86,440,983</u>	<u>\$ 112,796,046</u>	<u>\$ 33,967,615</u>
Liabilities and Net Assets:				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ 12,157,311	\$ 2,120,425	\$ 1,308,121	\$ 1,173,694
Customer deposits	1,971,505	191,904	200	158,026
Accrued interest payable	186,623	430,001	632,854	161,620
Due to other governments	40,306	12,802	4,267	7,316
Due to other funds	194,124	28	28	56
Deferred revenue	-	-	814,680	-
Current maturities of long-term debt	<u>1,799,338</u>	<u>2,001,804</u>	<u>3,548,571</u>	<u>973,932</u>
Total current liabilities	<u>16,349,207</u>	<u>4,756,964</u>	<u>6,308,721</u>	<u>2,474,644</u>
Noncurrent Liabilities:				
Compensated absences payable	90,439	113,775	35,631	6,213
Noncurrent portion of long-term debt	<u>12,559,221</u>	<u>26,147,164</u>	<u>32,848,625</u>	<u>10,532,478</u>
Total noncurrent liabilities	<u>12,649,660</u>	<u>26,260,939</u>	<u>32,884,256</u>	<u>10,538,691</u>
Total liabilities	<u>28,998,867</u>	<u>31,017,903</u>	<u>39,192,977</u>	<u>13,013,335</u>
Net Assets:				
Investment in capital assets, net of related debt	56,270,435	54,101,589	67,342,953	16,460,117
Unrestricted net assets	<u>36,113,920</u>	<u>1,321,491</u>	<u>6,260,116</u>	<u>4,494,163</u>
Total net assets	<u>\$ 92,384,355</u>	<u>\$ 55,423,080</u>	<u>\$ 73,603,069</u>	<u>\$ 20,954,280</u>

The notes to the financial statements are an integral part of this statement.

Exhibit G

Other Nonmajor Enterprise	Total Enterprise Funds	Internal Service Fund
\$ 1,896,992	\$ 15,586,121	\$ 68,718
-	34,338,135	-
23,175	18,804,523	-
794,539	1,626,011	-
257,372	257,372	-
14,197	3,406,070	-
862	70,544	-
-	4,640,544	-
<u>2,987,137</u>	<u>78,729,320</u>	<u>68,718</u>
2,564,954	250,074,799	-
<u>2,667,190</u>	<u>34,003,028</u>	<u>-</u>
<u>5,232,144</u>	<u>284,077,827</u>	<u>-</u>
<u>\$ 8,219,281</u>	<u>\$ 362,807,147</u>	<u>\$ 68,718</u>
\$ 191,079	\$ 16,950,630	\$ -
-	2,321,635	-
-	1,411,098	-
-	64,691	-
290,620	484,856	31,795
431,722	1,246,402	-
225,566	8,549,211	-
<u>1,138,987</u>	<u>31,028,523</u>	<u>31,795</u>
69,582	315,640	-
<u>1,180,953</u>	<u>83,268,441</u>	<u>-</u>
<u>1,250,535</u>	<u>83,584,081</u>	<u>-</u>
<u>2,389,522</u>	<u>114,612,604</u>	<u>31,795</u>
3,825,625	198,000,719	-
<u>2,004,134</u>	<u>50,193,824</u>	<u>36,923</u>
<u>\$ 5,829,759</u>	<u>\$ 248,194,543</u>	<u>\$ 36,923</u>

CITY OF GREENVILLE, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2005

	Electric Fund	Water Fund	Sewer Fund	Gas Fund
Operating Revenues:				
Charges for services	\$ 137,423,279	\$ 10,096,364	\$ 11,322,873	\$ 30,780,735
Other operating revenues	348,077	174,868	435,613	63,871
Total operating revenue	137,771,356	10,271,232	11,758,486	30,844,606
Operating Expenses:				
Administrative and general	8,468,237	3,552,576	2,140,219	2,271,815
Operations and maintenance	7,979,471	4,697,344	4,596,798	2,402,812
Claims	-	-	-	-
Purchased power and gas	109,759,837	-	-	21,791,351
Depreciation and amortization	6,837,344	2,698,370	3,189,386	1,334,527
Total operating expenses	133,044,889	10,948,290	9,926,403	27,800,505
Operating income (loss)	4,726,467	(677,058)	1,832,083	3,044,101
Nonoperating Revenues (Expenses):				
Investment earnings	802,161	194,583	272,891	59,939
Restricted intergovernmental revenues	-	-	-	-
Other revenue	756,768	26,769	447,203	51,924
Interest expense	(653,604)	(1,354,049)	(1,005,001)	(557,066)
Total nonoperating revenue (expenses)	905,325	(1,132,697)	(284,907)	(445,203)
Income (loss) before transfers and contributions	5,631,792	(1,809,755)	1,547,176	2,598,898
Transfers In (Out) and Capital Contributions:				
Transfers from other funds	-	-	-	-
Transfer to other funds	(3,727,337)	-	-	(856,349)
Capital contributions	-	1,061,144	2,050,568	-
Change in net assets	1,904,455	(748,611)	3,597,744	1,742,549
Net Assets:				
Beginning of year - July 1st	90,479,900	56,171,691	70,005,325	19,211,731
End of year - June 30th	\$ 92,384,355	\$ 55,423,080	\$ 73,603,069	\$ 20,954,280

The notes to the financial statements are an integral part of this statement.

Exhibit H

Other Nonmajor Enterprise	Total Enterprise Funds	Internal Service Fund
\$ 4,202,444	\$ 193,825,695	\$ 337,217
(10,982)	1,011,447	-
4,191,462	194,837,142	337,217
39,527	16,472,374	-
3,474,991	23,151,416	-
-	-	329,865
-	131,551,188	-
348,929	14,408,556	-
3,863,447	185,583,534	329,865
328,015	9,253,608	7,352
11,312	1,340,886	1,098
907,569	907,569	-
-	1,282,664	-
(45,213)	(3,614,933)	-
873,668	(83,814)	1,098
1,201,683	9,169,794	8,450
438,138	438,138	-
-	(4,583,686)	-
-	3,111,712	-
1,639,821	8,135,958	8,450
4,189,938	240,058,585	28,473
\$ 5,829,759	\$ 248,194,543	\$ 36,923

The notes to the financial statements are an integral part of this statement.

CITY OF GREENVILLE, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2005

	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Gas Fund</u>
Operating Activities:				
Cash received from customers	\$ 137,724,598	\$ 10,180,441	\$ 11,582,645	\$ 30,533,471
Other operating receipts	(679,104)	282,068	196,281	144,809
Cash paid to vendors	(117,881,489)	(4,426,347)	(3,678,998)	(24,084,193)
Cash paid to employees	(7,376,419)	(3,890,613)	(2,711,213)	(2,489,726)
Other operating payments	566,898	26,797	16,793	16,980
Net cash provided by (used in) operating activities	<u>12,354,484</u>	<u>2,172,346</u>	<u>5,405,508</u>	<u>4,121,341</u>
Noncapital Financing Activities:				
Transfer from (to) other funds	(3,727,337)	-	-	(856,349)
Change in due from other funds	-	-	-	-
Noncapital contributions	-	-	430,438	35,000
Net cash provided by (used) noncapital financing activities	<u>(3,727,337)</u>	<u>-</u>	<u>430,438</u>	<u>(821,349)</u>
Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(7,366,343)	(5,262,304)	(7,025,714)	(2,062,870)
Capital grants	50,000	-	-	-
Proceeds from issuance of long-term debt	-	-	1,146,129	-
Principal repayments of long-term debt	(1,219,891)	(1,623,083)	(2,589,551)	(777,643)
Interest and other debt related expenses	(653,604)	(1,354,049)	(1,005,001)	(557,066)
Net cash provided by (used) capital and related financing activities	<u>(9,189,838)</u>	<u>(8,239,436)</u>	<u>(9,474,137)</u>	<u>(3,397,579)</u>
Investing Activities:				
Purchase of investments	(3,990,454)	(947,701)	(1,289,855)	(426,991)
Proceeds from sale and maturity of investments	(568,327)	3,567,456	1,975,237	(481,721)
Unrealized investment gain (loss)	270,856	21,275	62,685	34,261
Interest received on investments	802,161	194,583	272,891	59,939
Net cash provided by (used) in investing activities	<u>(3,485,764)</u>	<u>2,835,613</u>	<u>1,020,958</u>	<u>(814,512)</u>
Net increase in cash and cash equivalents/investments	(4,048,455)	(3,231,477)	(2,617,233)	(912,099)
Cash and Cash Equivalents/Investments				
Beginning of year - July 1st	<u>14,134,599</u>	<u>5,841,271</u>	<u>6,387,509</u>	<u>2,775,558</u>
End of year - June 30th	<u>\$ 10,086,144</u>	<u>\$ 2,609,794</u>	<u>\$ 3,770,276</u>	<u>\$ 1,863,459</u>

The notes to the financial statements are an integral part of this statement.

Exhibit I
Page 1 of 2

<u>Other Nonmajor Enterprise</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
\$ 4,598,685	\$ 194,619,840	\$ 335,039
-	(55,946)	-
(1,084,278)	(151,155,305)	(329,865)
(2,372,608)	(18,840,579)	-
-	627,468	-
<u>1,141,799</u>	<u>25,195,478</u>	<u>5,174</u>
438,138	(4,145,548)	-
(437,549)	(437,549)	-
-	465,438	-
<u>589</u>	<u>(4,117,659)</u>	<u>-</u>
(655,077)	(22,372,308)	-
279,184	329,184	-
145,000	1,291,129	-
(68,432)	(6,278,600)	-
(45,213)	(3,614,933)	-
<u>(344,538)</u>	<u>(30,645,528)</u>	<u>-</u>
-	(6,655,001)	1,098
-	4,492,645	-
-	389,077	-
<u>11,312</u>	<u>1,340,886</u>	<u>-</u>
<u>11,312</u>	<u>(432,393)</u>	<u>1,098</u>
809,162	(10,000,102)	6,272
<u>1,087,830</u>	<u>30,226,767</u>	<u>62,446</u>
<u>\$ 1,896,992</u>	<u>\$ 20,226,665</u>	<u>\$ 68,718</u>

The notes to the financial statements are an integral part of this statement.

CITY OF GREENVILLE, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2005

	Electric Fund	Water Fund	Sewer Fund	Gas Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 4,726,467	\$ (677,058)	\$ 1,832,083	\$ 3,044,101
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	6,837,344	2,698,370	3,189,386	1,334,527
Miscellaneous income (expense) adjustments	706,768	26,769	16,765	16,924
Change in Assets and Liabilities:				
Accounts receivable	(117,000)	(99,609)	(99,462)	(345,174)
Due from other governments	(140,235)	8,638	(33,719)	9,937
Due from other funds	13,352	-	-	-
Intrafund balances	(643,507)	261,728	234,713	147,066
Inventories	(229,275)	(15,907)	(25,247)	(48,202)
Prepaid expense and deposits	(30,776)	(2,861)	(3,402)	(6,443)
Accounts payable and accrued expenses	1,168,436	(90,346)	350,779	(66,987)
Customer deposits	161,528	20,519	125	21,845
Due to other funds	(139,869)	28	28	56
Compensated absences	41,251	42,075	24,677	13,691
Deferred revenues	-	-	(81,218)	-
Net cash provided by (used in) operating activities	<u>\$ 12,354,484</u>	<u>\$ 2,172,346</u>	<u>\$ 5,405,508</u>	<u>\$ 4,121,341</u>
Other Disclosures:				
Interest incurred	\$ 632,200	\$ 1,370,408	\$ 1,297,430	\$ 546,549
Interest paid	647,146	1,390,853	1,068,614	555,857
Interest capitalized	-	32,056	338,338	-
Noncash Capital and Related Financing Activities:				
Contributions of capital assets	<u>\$ -</u>	<u>\$ 1,061,144</u>	<u>\$ 2,050,568</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

Exhibit I
Page 2 of 2
(continued)

<u>Other Nonmajor Enterprise</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
\$ 328,015	\$ 9,253,608	7,352
348,929	14,408,556	-
33,915	801,141	-
388,784	(272,461)	(2,178)
-	(155,379)	-
-	13,352	-
-	-	-
(5)	(318,636)	-
(612)	(44,094)	-
36,593	1,398,475	-
(46,000)	158,017	-
-	(139,757)	-
263	121,957	-
<u>51,917</u>	<u>(29,301)</u>	<u>-</u>
<u>\$ 1,141,799</u>	<u>\$ 25,195,478</u>	<u>\$ 5,174</u>
\$ -	\$ 3,846,587	\$ -
-	3,662,470	-
<u>-</u>	<u>370,394</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 3,111,712</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Note 1 – Summary of Significant Accounting Policies

The City of Greenville, North Carolina (the “City”), is located in the coastal plains area of the State and has a population of 67,525. The City, as authorized by its charter, operates its own police and fire departments, provides sanitation and street maintenance services, manages a transit system and maintains public parks and recreation facilities among other services for the citizens. In addition, the City provides electric, water, sewer, and gas utilities for the incorporated area through the Greenville Utilities Commission (the “Commission”), which is not a separate legal entity.

The accounting policies of the City of Greenville, North Carolina, conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The City of Greenville is a municipal corporation which is governed by an elected mayor and a six-member council. As required by accounting principles generally accepted in the United States of America, the City’s financial statements include the operations of all funds, account groups, agencies, boards, commissions and authorities for which the City is financially accountable. The City has no component units.

B. Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities report information about the City. For the most part, the effect of interfund activity has been removed from these statements. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include 1) fees and charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City’s funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, result from non-exchange transactions or ancillary activities. Other non-operating revenues are ancillary activities such as investment earnings.

The City reports the following major governmental fund:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, state shared revenues, and various other taxes and licenses. The primary expenditures are for police, fire, public works, parks and recreation, and general government services.

The City reports the following major enterprise funds:

Electric Fund – This fund is used to account for the operation of providing power to residents.

Water Fund – This fund is used to account for the operation of providing water to residents.

Sewer Fund – This fund is used to account for the operation of providing sewer services to residents.

Gas Fund – This fund is used to account for the operation of providing natural gas to residents.

Additionally, the City reports the following fund types:

Special Revenue Funds – The special revenue funds account for specific revenue sources (other than expendable trusts and agency funds or major capital projects) that are legally restricted to expenditures for specified purposes. The City maintains six Special Revenue Funds: the Community Development Fund, Capital Reserve Fund, Community Development Home, Sheppard Memorial Library, Housing Trust Fund and Small Business Loan.

Capital Projects Funds – The Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The City has fifteen Capital Project Funds covering various construction projects: Cemetery Development, Fire Tower, Moye-Hooker Road, Affordable Housing, Storm Drainage, Convention Center, Southside Recreation Center, Computerized Traffic Signal System, Recreation & Parks and Public Works FEMA Project, Greene Street Bridge & Streetscape Improvements, Greenway Phase II, Oxford Road Bridge Replacement, City Hall Facility, Flood Buyout Relocation & Replacement, and 2005 COPS Various City Projects.

Internal Service Funds – Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The City of Greenville has one internal service fund, the Joint Dental Reimbursement Fund, which is used to account for the financing of the City's dental insurance program.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the City are maintained during the year using the modified accrual basis of accounting.

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues, therefore, all taxes are reported as general revenues.

Proprietary funds distinguish between operating revenues/expenses and nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The City considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Pitt County is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts in the County, including the City of Greenville. For motor vehicles registered under the staggered system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, the City's vehicle taxes for vehicles registered in Pitt County from March 2004 through February 2005 apply to the fiscal year ended June 30, 2005. Uncollected taxes that were billed during this period are shown as a receivable in these financial statements and are offset by deferred revenues. For vehicles registered under the annual system,

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

taxes are due on May 1 of each year. For those vehicles registered and billed under the annual system, uncollected taxes are reported as a receivable on the financial statements and are offset by deferred revenues because the due date and the date upon which interest begins to accrue passed prior to June 30. The taxes for vehicles registered annually that have already been collected as of year-end are also reflected as deferred revenues at June 30, 2005, because they are intended to finance the City's operations during the 2006 fiscal year.

Sales taxes collected and held by the State at year-end on behalf of the City are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally, they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and the by general revenues.

As permitted by generally accepted accounting principles, the City has elected to apply only applicable FASB Statements and Interpretations issued on or before November 30, 1989 that do not contradict GASB pronouncements in its accounting and reporting practices for its proprietary operations.

D. Budgetary Procedures and Budgetary Accounting

As required by the North Carolina Budget and Fiscal Control Act, the City Council adopts an annual budget ordinance for all governmental and proprietary fund types except funds authorized by project ordinance. All annual appropriations lapse at the fiscal year-end. All capital project funds and four of the six special revenue funds are budgeted under project ordinances spanning more than one fiscal year. All budget ordinances are prepared on the modified accrual basis of accounting as required by the Act.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means to finance them.
- 2) Public hearings are conducted by the City to obtain citizen comments.
- 3) Prior to June 30, the budget is legally enacted through passage of an ordinance. During the year ended June 30, 2005, several amendments to the original budget were necessary.
- 4) The City Manager is authorized to transfer funds from one appropriation to another within any fund in an amount not to exceed \$10,000. Any such transfers shall be reported to the City Council at its next regular meeting and shall be entered in the minutes. Any revisions to transfer budgeted amounts over \$10,000 or that alter the total expenditures of any fund must be approved by the City Council before being recorded.
- 5) Formal budgetary integration is employed as a management control device during the year for all funds of the City except the Sheppard Memorial Library Trust fund.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Budgetary amounts are presented as originally adopted, or as amended in accordance with the procedures enumerated above, as of June 30, 2005. The annual budget ordinance creates appropriations, by fund, at the subdepartmental levels of personnel, operating and capital, with the exception of debt service. The debt service fund budget ordinance creates appropriations at the subdepartmental level of principal, interest, and service charges. Expenditures may not legally exceed appropriations at the subdepartmental level for all annually budgeted funds.

Individual amendments were not material in relation to the original appropriations.

Encumbrances

As required by North Carolina General Statutes, the City maintains encumbrance accounts under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in the governmental funds in order to reserve that portion of the applicable appropriation. Encumbrances outstanding at year-end represent the estimated amounts for the expenditures ultimately to result if unperformed contracts in process at year-end are completed. Open encumbrances at the end of the year are reported as reservations of fund balances. Encumbrances do not constitute expenditures or liabilities.

E. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

All deposits of the City are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The City may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the City may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the City to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The City's investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

2. Cash and Cash Equivalents

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

3. Restricted Assets

The City issues general obligation and revenue bonds for capital projects. The amount of unspent bond proceeds is shown as a restricted asset. This is because the use of the proceeds is completely restricted to the purpose for which the bonds were originally issued. Revenue bond proceeds are placed with a trustee for safekeeping and dispersion as needed.

4. Ad Valorem Taxes Receivable

For the fund financial statements, ad valorem taxes receivable are not accrued as revenue, except for collections received in the first 60 days after year-end, because they are not considered to be both "measurable and available." The amount of the receivable is reduced by an allowance for doubtful accounts equal to the percent of the original levy which has normally been written off based upon past experience. An amount equal to the net receivable less amounts collected in the first sixty days after year-end is shown as deferred revenue. In accordance with North Carolina General Statutes 105-347 and 159-13(a), the City levies ad valorem taxes on July 1, the beginning of the fiscal year. The taxes are due September 1; however, interest and penalties do not accrue until the following January 6. These taxes are based on the assessed values as of January 1. Uncollected taxes receivable are written off at the end of ten years in accordance with North Carolina General Statutes.

5. Utility Service Revenues - Unbilled Usage

An estimated amount has been recorded for utility services provided but not billed as of the end of the year, and is included in accounts receivable, net of uncollectible amounts.

6. Allowance for Doubtful Accounts

An allowance for doubtful accounts is maintained for ad valorem taxes receivable and rescue fees receivable, which historically experience uncollectible accounts. An allowance for doubtful accounts is also maintained for enterprise fund customer receivables. All other receivables are generally collectible and any doubtful accounts are considered immaterial.

7. Inventories

Inventories consist of major items held for consumption by the governmental funds and for all enterprise fund supplies. Inventories are valued at cost using the first-in, first-out (FIFO) method. Disbursements for inventory-type items of the City are considered to be expenditures at the time of use ("consumption method" of accounting). Supplies transferred to and consumed by the individual departments are considered a reduction of the inventory and an expenditure of the user department.

8. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements and expensed as the items are used.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

9. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The capitalization threshold for assets is \$3,000, with the exception of Greenville Utilities Commission for which the threshold is \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All assets are depreciated using a method which approximates the straight-line method. Interest expense is capitalized on construction in progress to the extent that it exceeds income.

The estimated useful lives are as follows:

Land improvements	10 years
Buildings	33 years
Equipment	3 to 20 years
Distribution systems	20 to 50 years

The rate structure of the Public Transportation Fund is inadequate to generate sufficient revenues to cover the acquisition and future expansion of its property and equipment. It therefore must seek capital grants from federal, state, and local sources. The estimated useful lives of transportation fixed assets, which are depreciated using the straight-line method, are as follows:

Plant and structures	30 years
Buses	10 years
Furniture, fixtures, machinery and equipment	5 to 8 years

The Greenville Aquatics and Fitness Center Fund assets were purchased with Aquatics and Fitness Center Fund revenues. The assets are depreciated using the straight-line method over estimated useful lives of 5-8 years.

The Bradford Creek Golf Course Fund assets were purchased through installment financing. The payments for this financing are being made utilizing the revenues of the Bradford Creek Golf Course Fund. The assets are depreciated using the straight-line method over estimated useful lives of 5-8 years.

10. Compensated Absences

The vacation policy of the City provides for the accumulation of earned vacation leave to full-time employees based upon the number of years of service with such leave being fully vested when earned. For the City's government-wide and proprietary funds, an expense and a liability for compensated absences and salary related payments are recorded as the leave is earned. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

The City's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the City has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

11. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. For business-type activities, the debt service requirements are being financed by the revenues of these funds. The full taxing power of the City is pledged to make payments if applicable fund revenues should be insufficient.

12. Deferred Revenue

In the fund financial statements, ad valorem taxes receivable are not accrued as a revenue because they are not considered to be both "measurable and available." Ad valorem taxes receivable that are measurable but not available are recorded as deferred revenue in the fund financial statements. In addition, property taxes collected in advance of the fiscal year to which they apply are also recorded as unearned revenue in the government-wide financial statements and deferred revenue in the fund financial statements. Certain receivables are also recorded as deferred revenue in the fund financial statements because they are not considered to be available at year-end. The City also records customer receivables for lot cleaning and demolition liens and prepaid licenses as deferred revenues. These items have not been accrued as revenues either because they are not considered to be "available" or because they have been collected in advance of the licensing period. Restricted grants that are received before qualifying expenditures are made are also recorded as deferred revenue.

13. Net Assets/Fund Balances

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

In the governmental fund financial statements, reservations of fund balance represent amounts that cannot be appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts appropriation of fund balance for the subsequent year's budget to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved:

Reserved by State Statute - represents the portion of fund balance, in addition to reserves for encumbrances and reserves for inventories, which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables, which have not been offset by deferred revenues.

Reserved for Encumbrances – portion of fund balance available to pay for commitments related to purchase orders or contracts which remain unperformed at year-end.

Reserved for Prepaid Items and Inventories - represents the year-end fund balance of ending prepaid items and inventories, which are not expendable, available resources.

Reserved for Streets – Powell Bill – portion of fund balance that is available for appropriation but legally segregated for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Unreserved:

Designated for Subsequent Year's Expenditures – portion of the total fund balance available for appropriation that has been designated for the adopted 2005-2006 budget ordinance.

Designated for Future Catastrophic Losses - represents the fund balance not reserved and designated for future catastrophic losses related to the City's risk management programs.

Undesignated - represents the fund balance not reserved or appropriated.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Note 2 - Stewardship, Compliance, and Accountability

Excess of expenditures over appropriations in individual funds:

The City has overextended its budget authority at the legal level of control as of June 30, 2005 as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund:			
City Clerk - operating expenses	\$ 57,782	\$ 63,388	\$ (5,606)
City Attorney - salaries & benefits	286,175	287,263	(1,088)
City Attorney - operating expenses	27,480	27,800	(320)
Development - Long Range Planning - salaries & benefits	192,974	196,081	(3,107)
Police - operating expenses	1,582,788	1,665,712	(82,924)
Transportation - Administration - operating expenses	128,550	148,784	(20,234)
Streets - salaries & benefits	605,780	658,235	(52,455)
Airport - salaries & benefits	-	15,484	(15,484)
Sanitation - operating expenses	412,988	447,487	(34,499)
Recreation - capital	429,672	461,181	(31,509)
Parks - capital	104,562	177,916	(73,354)
Teen Center - operating expenses	14,658	16,261	(1,603)
Library - allotment	-	2,344	(2,344)
Sports Center - salaries & benefits	41,303	43,118	(1,815)
Sports Center - operating expenses	21,000	30,930	(9,930)
 Aquatics and Fitness Center - operations & maintenance	 490,584	 513,542	 (22,958)
Bradford Creek Golf Course:			
Operations and maintenance	671,655	705,614	(33,959)
Retirement of long-term debt	146,087	156,580	(10,493)
Interest expense	38,603	39,247	(644)
Public Transportation Fund:			
Administrative and general	22,267	39,527	(17,260)
Operations and maintenance	596,884	747,780	(150,896)
Retirement of long-term debt	-	11,280	(11,280)
Interest expense	380	771	(391)
Stormwater Fund:			
Retirement of long-term debt	50,682	57,152	(6,470)
Debt Service Fund:			
Principal retirement	3,475,515	3,611,981	(136,466)
Interest and fees	1,675,920	1,697,571	(21,651)

CITY OF GREENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Deficit Fund Balance or Net Assets of Individual Funds:

The following individual funds had a deficit fund balance at June 30, 2005:

Special Revenue:	
Community Development Fund	\$ 6,803
Capital Projects:	
Greene Street Bridge & Streetscape Improvements	\$ 36,719
Recreation & Parks and Public Works FEMA Project	\$ 100,976
Enterprise:	
Aquatic & Fitness Center	\$ 11,287

Note 3 - Detailed Notes on All Funds

A. Assets

1. Deposits

All of the deposits of the City are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the City's agent in the City's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, these deposits are considered to be held by the City's agent in their name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the City under the Pooling Method, the potential exists for under collateralization, and this risk may increase during periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City has no policy regarding custodial credit risk for deposits.

At June 30, 2005, the carrying amount of the City's deposits (deposits managed by the City) was \$20,699,066 and the bank balance was \$21,095,162. Of the bank balance, \$1,070,435 was covered by federal depository insurance and \$20,024,727 was covered by collateral held under the Pooling Method. At June 30, 2005, the City had \$5,270 cash on hand.

At June 30, 2005, the carrying amount of the GUC's deposits (deposits managed by GUC) was \$12,538,066 and the bank balance was \$13,273,521. Of the bank balance, \$200,000 was covered by federal depository insurance and \$13,073,521 was covered by collateral held under the Pooling Method. At June 30, 2005, GUC had \$3,400 cash on hand.

CITY OF GREENVILLE, NORTH CAROLINA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2005

2. Investments

At June 30, 2005, the investments and maturities of the City (investments managed by the City) were as follows:

Investment Type	Fair Value	Less than 6			
		months	6-12 Months	1-3 Years	3+ Years
US Government Agencies	\$ 475,000	\$ -	\$ -	\$ 475,000	\$ -
NC Capital Management Trust - Cash Portfolio	28,459,541	N/A	N/A	N/A	N/A
Total	<u>\$ 28,934,541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 475,000</u>	<u>\$ -</u>

At June 30, 2005, the investments and maturities of GUC (investments managed by GUC) were as follows:

Investment Type	Fair Value	Less than 6			
		months	6-12 Months	1-3 Years	3+ Years
US Government Agencies	\$ 34,338,135	\$ 9,484,396	\$ 5,401,272	\$ 17,969,287	\$ 1,483,180
NC Capital Management Trust - Cash Portfolio	5,788,207	N/A	N/A	N/A	N/A
Total	<u>\$ 40,126,342</u>	<u>\$ 9,484,396</u>	<u>\$ 5,401,272</u>	<u>\$ 17,969,287</u>	<u>\$ 1,483,180</u>

Interest Rate Risk. The City does not have a formal investment policy that specifically limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates.

Credit Risk. State law limits investment in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the City had no formal policy on specifically managing credit risk. The City's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2005. The City's investments in US Government Agencies are rated AAA by Standard & Poor's.

Concentration of Credit Risk. The City places no limit on the amount that the City may invest in any one issuer. More than 5 percent of the City's investments are in the Federal Home Loan Bank securities. These investments are 50.4% of the City's total investments.

CITY OF GREENVILLE, NORTH CAROLINA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Financial Instruments and Fair Values

Greenville Utilities Commission uses derivative financial instruments to reduce financial exposure from price changes related to the anticipated purchase of natural gas. At June 30, 2005 and 2004, there were no open forward contracts to purchase natural gas. The Commission during the fiscal year ended June 30, 2005 purchased a call option that gives the Commission the right but not the obligation to purchase 10,000 dekatherms (1 contract) per month for the months of October 2004 through September 2005 at the price of \$6.40 per dekatherm.

Greenville Utilities Commission sets rates and charges to recover the cost of operations which includes the cost of its gas supply. The Commission sold 2,365,415, 2,174,333, and 2,422,213 dekatherms to customers in fiscal years 2005, 2004 and 2003 respectively. Forward contracts are generally used to facilitate the supply of natural gas to the Commission's customers while attempting to minimize price risk to final customers. The Commission recognizes realized and unrealized gains and losses on these contracts in income in the period in which the change occurs. For fiscal year 2005 and 2004, the Commission realized cumulative net losses of \$113,470 and \$83,700 respectively on its forward purchase commitments. The cumulative net losses on forward contracts are reflected in the total cost of purchased gas for each year presented.

3. Receivables

Receivables at the government-wide level at June 30, 2005, were as follows:

	Taxes and				Due from Other		
	Licenses	Accounts	Interest	Loans	Governments	Total	
Governmental Activities:							
General	\$ 1,833,368	\$ 2,784,680	\$ -	\$ -	\$ 2,393,988	\$ 7,012,036	
Other governmental	-	893	3,499	462,310	119,372	586,074	
Total receivables	1,833,368	2,785,573	3,499	462,310	2,513,360	7,598,110	
Allowance for doubtful accounts	(794,063)	(1,001,286)	-	-	-	(1,795,349)	
Total - governmental activities	<u>\$ 1,039,305</u>	<u>\$ 1,784,287</u>	<u>\$ 3,499</u>	<u>\$ 462,310</u>	<u>\$ 2,513,360</u>	<u>\$ 5,802,761</u>	
Business-type Activities:							
Electric	\$ -	\$ 18,983,255	\$ -	\$ -	\$ 596,515	\$ 19,579,770	
Water	-	1,538,967	-	-	82,196	1,621,163	
Sewer	-	1,534,805	-	-	119,704	1,654,509	
Gas	-	2,135,581	-	-	33,057	2,168,638	
Other nonmajor enterprise	-	23,175	-	-	794,539	817,714	
Total receivables	-	24,215,783	-	-	1,626,011	25,841,794	
Allowance for doubtful accounts	-	(5,411,260)	-	-	-	(5,411,260)	
Total - business-type activities	<u>\$ -</u>	<u>\$ 18,804,523</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,626,011</u>	<u>\$ 20,430,534</u>	

CITY OF GREENVILLE, NORTH CAROLINA
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Due From Other Governments

The due from other governments that is owed to the City consists of the following:

	Governmental Activities	Business-type Activities
Local option sales tax	\$ 1,992,580	\$ 831,475
Refund of sales & use taxes paid	184,558	2,875
Grants	62,895	615,990
Other	273,327	175,671
Total	<u>\$ 2,513,360</u>	<u>\$ 1,626,011</u>

4. Capital Assets

A summary of changes in the City's capital assets used in governmental activities follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 34,636,309	\$ 382,669	\$ -	\$ 35,018,978
Construction in progress	1,557,304	5,595,610	-	7,152,914
Total capital assets not being depreciated	<u>36,193,613</u>	<u>5,978,279</u>	<u>-</u>	<u>42,171,892</u>
Capital Assets Being Depreciated:				
Buildings	31,037,467	545,255	-	31,582,722
Improvements other than buildings	3,151,188	1,325,827	(46,539)	4,430,476
Infrastructure	4,961,148	1,366,879	-	6,328,027
Machinery and equipment	25,761,653	1,942,842	(914,164)	26,790,331
Total capital assets being depreciated	<u>64,911,456</u>	<u>5,180,803</u>	<u>(960,703)</u>	<u>69,131,556</u>
Less Accumulated Depreciation For:				
Buildings	(8,502,806)	(1,211,730)	-	(9,714,536)
Improvements other than buildings	(1,865,231)	(259,318)	3,953	(2,120,596)
Infrastructure	-	-	-	-
Machinery and equipment	(18,838,788)	(1,067,395)	6,564	(19,899,619)
Total accumulated depreciation	<u>(29,206,825)</u>	<u>\$ (2,538,443)</u>	<u>\$ 10,517</u>	<u>(31,734,751)</u>
Total capital assets being depreciated, net	<u>35,704,631</u>			<u>37,396,805</u>
Governmental activity capital assets, net	<u><u>\$ 71,898,244</u></u>			<u><u>\$ 79,568,697</u></u>

Beginning balances were restated to reflect the effect of errors in the prior year.

CITY OF GREENVILLE, NORTH CAROLINA
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Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 406,151
Public safety	736,148
Transportation	279,229
Environmental protection	203,075
Cultural and recreational	913,840
Total	<u>\$ 2,538,443</u>

A summary of changes in the City's capital assets used in business-type activities follows. This schedule represents business-type activity capital assets managed by the City.

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 2,667,190	\$ -	\$ -	\$ 2,667,190
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>2,667,190</u>	<u>-</u>	<u>-</u>	<u>2,667,190</u>
Capital Assets Being Depreciated:				
Buildings	475,145	-	-	475,145
Improvements other than buildings	625,639	-	(6,212)	619,427
Machinery and equipment	<u>2,992,703</u>	<u>655,076</u>	<u>(263,193)</u>	<u>3,384,586</u>
Total capital assets being depreciated	<u>4,093,487</u>	<u>655,076</u>	<u>(269,405)</u>	<u>4,479,158</u>
Less Accumulated Depreciation For:				
Buildings	(72,591)	(15,838)	-	(88,429)
Improvements other than buildings	(484,899)	(26,264)	6,212	(504,951)
Machinery and equipment	<u>(1,249,542)</u>	<u>(300,563)</u>	<u>229,281</u>	<u>(1,320,824)</u>
Total accumulated depreciation	<u>(1,807,032)</u>	<u>\$ (342,665)</u>	<u>\$ 235,493</u>	<u>(1,914,204)</u>
Total capital assets being depreciated, net	<u>2,286,455</u>			<u>2,564,954</u>
Business-type activity capital assets, net	<u>\$ 4,953,645</u>			<u>\$ 5,232,144</u>

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This schedule represents business-type activity capital assets managed by GUC.

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u> <u>Balances</u>
Business-type Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 3,076,386	\$ 37,063	\$ -	\$ 346,000	\$ 3,459,449
Construction in progress	30,030,319	12,398,092	-	(14,552,022)	27,876,389
Total capital assets not being depreciated	<u>33,106,705</u>	<u>12,435,155</u>	<u>-</u>	<u>(14,206,022)</u>	<u>31,335,838</u>
Capital Assets Being Depreciated:					
Land rights	368,768	-	-	-	368,768
Buildings	90,542,747	141,252	-	10,712,782	101,396,781
Furniture and office equipment	4,741,644	236,985	(19,191)	1,950,268	6,909,706
Vehicles and equipment	14,612,217	865,465	(351,754)	136,913	15,262,841
Distribution systems	258,193,784	11,108,512	-	1,406,059	270,708,355
Transmission systems	19,942,745	61,797	-	-	20,004,542
Total capital assets being depreciated	<u>388,401,905</u>	<u>12,414,011</u>	<u>(370,945)</u>	<u>14,206,022</u>	<u>414,650,993</u>
Less Accumulated Depreciation For:					
Land rights	(361,546)	(7,224)	-	-	(368,770)
Buildings	(22,237,754)	(3,108,951)	-	-	(25,346,705)
Furniture and office equipment	(2,608,197)	(1,285,129)	19,192	-	(3,874,134)
Vehicles and equipment	(10,870,100)	(1,219,699)	331,534	-	(11,758,265)
Distribution systems	(105,998,364)	(7,716,265)	-	-	(113,714,629)
Transmission systems	(11,356,285)	(722,360)	-	-	(12,078,645)
Total accumulated depreciation	<u>(153,432,246)</u>	<u>\$ (14,059,628)</u>	<u>\$ 350,726</u>	<u>\$ -</u>	<u>(167,141,148)</u>
Total capital assets being depreciated, net	<u>234,969,659</u>				<u>247,509,845</u>
Business-type activity capital assets, net	<u><u>\$ 268,076,364</u></u>				<u><u>\$ 278,845,683</u></u>

B. Liabilities

1. Pension Plan Obligations

Local Government Employees Retirement System

Plan Description

The City of Greenville contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Government Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North

CITY OF GREENVILLE, NORTH CAROLINA
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Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699, or by calling (919) 981-5454.

Funding Policy

Plan members are required to contribute six percent of their annual covered salary. The City is required to contribute at an actuarially determined rate. For the City, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.89% and 4.78%, respectively of annual covered payroll. The contribution requirements of members and of the City of Greenville are established and may be amended by the North Carolina General Assembly. The City's contributions to LGERS for the years ended June 30, 2005, 2004 and 2003 were \$1,424,355, \$1,821,428, and \$1,743,492 respectively. The contributions made by the City equaled the required contributions for each year.

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description

The City contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy

Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2005 were \$779,604, which consisted of \$344,320 from the City and \$435,284 from the law enforcement officers.

Law Enforcement Officers Special Separation Allowance

Plan Description

The City of Greenville administers a public employee retirement system (the "Separation Allowance") a single-employer, defined benefit plan, which provides retirement benefits to the City's qualified sworn law enforcement officers. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

CITY OF GREENVILLE, NORTH CAROLINA

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The Separation Allowance covers all full-time City law enforcement officers. At December 31, 2004, the Separation Allowance's membership consisted of:

Retirees currently receiving benefits and terminated employees entitled to benefits but not yet receiving benefits	15
Active plan members	<u>167</u>
Total	<u><u>182</u></u>

Summary of Significant Accounting Policies

Basis of Accounting

The City has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the general fund, which is maintained on the modified accrual basis of accounting.

Method Used to Value Investments

No funds are set aside to pay benefits and administration costs. These expenditures are paid as they become due.

A separate report is not issued for the plan.

Contributions

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the fiscal year ended June 30, 2005 was determined as part of the December 31, 2004 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 5.9% to 9.8% per year. Item (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases. The City did not pay a percentage of covered payroll to the plan during the year ended June 30, 2005. The City made benefit payments to fifteen retirees in the amount of \$207,673, which has been charged to salaries and wages expense in the General Fund. The net pension obligation of \$1,132,985 is reflected in the financial statements as a long-term liability.

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The City's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual Pension Cost and Net Pension Obligation

Employer annual required contribution	\$ 273,669
Interest on net pension obligation	76,108
Adjustment to annual required contribution	<u>(58,890)</u>
Annual pension cost	290,887
Employer contributions made for fiscal year ending 6/30/05	<u>207,673</u>
Increase (decrease) in net pension obligation	83,214
Net pension obligation beginning of fiscal year	<u>1,049,771</u>
Net pension obligation end of fiscal year	<u><u>\$ 1,132,985</u></u>

Three-Year Trend Information

Historical trend information for the Law Enforcement Officers' annual pension costs is presented below for the past three years.

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
6/30/2003	\$ 273,784	28.00%	\$ 1,005,143
6/30/2004	273,657	26.07%	1,049,771
6/30/2005	290,887	71.39%	1,132,985

Post Employment Benefits

Deferred Compensation Plan

The City offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Participation in the plan is at the option of the employee.

Investments are managed by the plans' trustee under one of four investment options, or a combination thereof. The choice of the investment option(s) is made by the participants.

The City has complied with changes in the laws which govern the City's Deferred Compensation Plans, requiring all assets of the plans to be held in trust for the exclusive benefit of the participants and their beneficiaries. In accordance with GASB Statement 32, "Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans," the City's Deferred Compensation Plans are not reported as City Agency Funds.

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Health Benefits

The City has elected to provide postretirement health care benefits to retirees of the City, who participate in the North Carolina Local Governmental Employees' Retirement System (the "System"), and have at least five years of creditable service with the City. Retirees pay 5 % and the City pays 95 % of the full cost of coverage for these benefits for retirees with a minimum of twenty-years of creditable service with the City. Retirees with at least five years, but less than twenty years of creditable service in the Plan, pay for their coverage. Also, retirees can purchase coverage for their dependents at the City's group rates. Currently 120 retirees are eligible for postretirement health benefits. For the fiscal year ended June 30, 2005, the City made payments for postretirement health benefit premiums of \$499,699. The City obtains health care coverage through private insurers.

Death Benefits

The City has also elected to provide death benefits to employees through the Death Trust Plan for Members of the Local Governmental Employees' Retirement System ("Death Trust Plan"), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. Employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to his/her death, but the benefit may not exceed \$20,000. Effective July 1, 2004, the death benefit payments to beneficiaries must be between \$25,000 and \$50,000. All death benefit payments are made from the Death Trust Plan. The City has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Trust Plan and not by the City, the City does not determine the number of eligible participants. For the fiscal year ended June 30, 2005, the City made contributions to the State for death benefits of \$30,276. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.09 % and 0.14 % covered payroll, respectively. The contributions to the Death Trust Plan cannot be separated between the post employment benefit amount and the other benefit amount.

CITY OF GREENVILLE, NORTH CAROLINA
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2. Deferred/Unearned Revenue

	<u>Deferred Revenue</u>		<u>Unearned Revenue</u>	
	<u>General Fund</u>	<u>Other Nonmajor Governmental Funds</u>	<u>General Fund</u>	<u>Other Nonmajor Governmental Funds</u>
Taxes Receivable:				
Ad valorem	\$ 362,862	\$ -	\$ -	\$ -
Animal	40	-	40	-
Auto licenses	406,662	-	-	-
Prepaid privilege licenses	355,100	-	355,100	-
Community Development Mortgage Loans	-	206,079	-	-
Community Development Small Business Loans	-	187,808	-	-
Community Development Home Program	-	52,942	-	-
Housing Trust Loan	-	20,996	-	-
Rescue fees	557,348	-	-	-
Refuse fees	162,518	-	-	-
Other prepaids	319,054	-	-	-
Miscellaneous	951,192	894	951,191	894
	<u>\$ 3,114,776</u>	<u>\$ 468,719</u>	<u>\$ 1,306,331</u>	<u>\$ 894</u>

CITY OF GREENVILLE, NORTH CAROLINA
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3. Long-Term Obligations

Changes in Long-Term Debt

The following is a summary of changes in the long-term obligations of the City.

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2005</u>	<u>Current</u> <u>Portion</u>
Governmental Activities:					
General obligation bonds	\$ 7,455,000	\$ -	\$ 650,000	\$ 6,805,000	\$ 720,000
Certificates of Participation	10,305,000	15,985,000	1,185,000	25,105,000	1,465,000
Special obligation revenue bonds	6,160,000	-	255,000	5,905,000	265,000
Installment purchase contracts	2,668,097	2,411,054	1,521,981	3,557,170	1,286,903
LEO separation allowance	1,049,771	83,214	-	1,132,985	-
Compensated absences	2,130,265	1,978,875	1,675,579	2,433,561	700,000
Total governmental activities	<u>\$ 29,768,133</u>	<u>\$ 20,458,143</u>	<u>\$ 5,287,560</u>	<u>\$ 44,938,716</u>	<u>\$ 4,436,903</u>
Business-type Activities:					
<i>Serviced by the City:</i>					
Installment purchase contracts	\$ 1,486,531	\$ 145,000	\$ 225,012	\$ 1,406,519	\$ 225,566
Compensated absences	69,319	61,202	60,939	69,582	17,000
	<u>1,555,850</u>	<u>206,202</u>	<u>285,951</u>	<u>1,476,101</u>	<u>242,566</u>
<i>Serviced by GUC:</i>					
General obligation bonds	8,090,000	-	1,205,000	6,885,000	1,175,000
Revenue bonds	69,218,591	-	4,372,065	64,846,526	4,575,383
Other types of debt	17,757,054	1,146,129	701,845	18,201,338	1,473,262
Compensated absences	1,224,364	1,177,370	1,055,676	1,346,058	1,100,000
	<u>96,290,009</u>	<u>2,323,499</u>	<u>7,334,586</u>	<u>91,278,922</u>	<u>8,323,645</u>
Total business-type activities	<u>\$ 97,845,859</u>	<u>\$ 2,529,701</u>	<u>\$ 7,620,537</u>	<u>\$ 92,755,023</u>	<u>\$ 8,566,211</u>

Compensated absences typically have been liquidated in the general fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

The City issues *general obligation bonds* to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. The City has also issued *revenue bonds* and pledges the income derived from the acquired or constructed assets to pay debt service.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

General Obligation Bonds

Serviced by the City's Governmental Funds:

1998 Public Improvement, Series 1998, due in annual installments of \$100,000 to \$300,000 through March 1, 2017, plus interest from 4.3 to 4.5% \$ 2,825,000

2001 Public Building, Series 2001, due in annual installments of \$35,000 to \$125,000 through June 1, 2011, plus interest at 4.0% 660,000

2004 Refunding Public Improvement, Series 1993 due in annual installments of \$175,000 to \$275,000 through March 1, 2013, plus interest from 2.0 to 3.5% 2,210,000

2003 Public Improvement, Series 2003 due in annual installments of \$65,000 to \$70,000 plus interest from 3.0 to 4.5% 1,110,000

Total serviced by the City's governmental funds \$ 6,805,000

Serviced by GUC:

2003 GO Bonds, due in semi-annual installments through March 2012, including interest from 2.0 to 3.4% \$ 6,885,000

Annual debt service requirements to maturity for the general obligation bonds is as follows:

	Governmental Funds			Enterprise Funds		
	Principal	Interest	Total	Principal	Interest	Total
2006	\$ 720,000	\$ 254,600	\$ 974,600	\$ 1,175,000	\$ 186,895	\$ 1,361,895
2007	710,000	231,825	941,825	1,145,000	163,395	1,308,395
2008	705,000	209,250	914,250	1,115,000	140,495	1,255,495
2009	700,000	183,925	883,925	1,095,000	107,045	1,202,045
2010	695,000	158,680	853,680	1,075,000	74,195	1,149,195
2011-2015	2,440,000	455,790	2,895,790	1,280,000	49,765	1,329,765
2016-2020	770,000	83,110	853,110	-	-	-
2021	65,000	2,925	67,925	-	-	-
	<u>\$ 6,805,000</u>	<u>\$ 1,580,105</u>	<u>\$ 8,385,105</u>	<u>\$ 6,885,000</u>	<u>\$ 721,790</u>	<u>\$ 7,606,790</u>

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Certificates of Participation

A summary of the City's Certificates of Participation is as follows:

Original Issue			Payment Information		Outstanding Balance
Amount	Date	Rate	Period	Amount	
\$ 14,600,000	September 1998	3.5% - 5%	Annual	\$615,000 - 850,000	\$ 9,655,000
15,985,000	October 2004	3.0% - 5.25%	Annual	\$810,000 - 815,000	15,450,000
Total certificates of participation					<u>\$ 25,105,000</u>

Annual debt service requirements to maturity for the City's Certificates of Participation are as follows:

	Principal	Interest	Total
2006	\$ 1,465,000	\$ 1,061,996	\$ 2,526,996
2007	1,460,000	1,005,046	2,465,046
2008	1,465,000	959,521	2,424,521
2009	1,465,000	911,196	2,376,196
2010	1,465,000	858,146	2,323,146
2011-2015	7,355,000	3,431,100	10,786,100
2016-2020	7,190,000	1,826,275	9,016,275
2021-2024	3,240,000	376,448	3,616,448
	<u>\$ 25,105,000</u>	<u>\$ 10,429,728</u>	<u>\$ 35,534,728</u>

Special Obligation Revenue Bonds

A summary of the City's special obligation revenue bonds is as follows:

2001 Special Obligation Revenue Bonds, series 2001, due in annual installments of \$160,000 to \$510,000 through June 1, 2021, plus interest from 4.0 to 5.0%	<u>\$ 5,905,000</u>
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CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Annual debt service requirements to maturity for the City's special obligation revenue bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 265,000	\$ 273,415	\$ 538,415
2007	275,000	262,815	537,815
2008	285,000	251,815	536,815
2009	295,000	240,415	535,415
2010	310,000	228,246	538,246
2011-2015	1,755,000	928,490	2,683,490
2016-2020	2,210,000	469,750	2,679,750
2021-2024	510,000	25,500	535,500
	<u>\$ 5,905,000</u>	<u>\$ 2,680,446</u>	<u>\$ 8,585,446</u>

Revenue Bonds

A summary of the revenue bonds serviced by GUC is as follows:

<u>Original Issue</u>			<u>Payment Information</u>		<u>Outstanding</u>
<u>Amount</u>	<u>Date</u>	<u>Rate</u>	<u>Period</u>	<u>Amount</u>	<u>Balance</u>
\$ 4,484,634	August 1994	5.6% - 5.7%	Annual	\$188,454 - 198,734	\$ 387,188
2,273,773	November 1998	4.0% - 5.0%	Annual	\$85,113 - 144,692	1,581,278
2,284,000	March 2000	5.0% - 5.6%	Annual	\$33,335 - 321,037	1,058,276
9,598,462	May 2001	4.25% - 5.25%	Annual	\$219,483 - 704,097	8,152,344
2,940,941	May 2003	2.95%	Annual	\$216,800 - 424,218	2,218,854
627,500	May 2003	3.67%	Annual	\$34,461 - 53,311	562,286
2,429,504	August 1994	5.6% - 5.7%	Annual	\$102,083 - 107,651	209,735
4,992,460	November 1998	4.0% - 5.0%	Annual	\$186,634 - 317,277	3,467,394
17,366,000	March 2000	5.0% - 5.6%	Annual	\$656,664 - 1,370,430	15,296,724
3,305,458	May 2001	4.25% - 5.25%	Annual	\$96,476 - 343,235	3,840,005
313,750	May 2003	3.67%	Annual	\$17,230 - 26,655	281,143
2,632,399	August 1994	5.6% - 5.7%	Annual	\$110,590 - 116,622	227,213
8,858,610	November 1998	4.0% - 5.0%	Annual	\$331,163 - 562,977	6,152,536
400,000	March 2000	5.0% - 5.6%	Annual	\$80,000	80,000
6,228,641	May 2001	4.25% - 5.25%	Annual	\$122,512 - 402,526	4,622,835
1,626,340	May 2003	2.95%	Annual	\$119,890 - 234,592	1,227,026
4,940,000	May 2003	3.67%	Annual	\$271,295 - 419,698	4,426,597
3,543,463	August 1994	5.6% - 5.7%	Annual	\$148,871 - 156,991	305,864
2,597,157	November 1998	4.0% - 5.0%	Annual	\$97,090 - 165,053	1,803,794
350,000	March 2000	5.0% - 5.6%	Annual	\$70,000	70,000
5,952,439	May 2001	4.25% - 5.25%	Annual	\$181,527 - 570,140	6,649,815
\$ 2,483,750	May 2003	2.95%	Annual	\$136,402 - 211,017	2,225,619
Total revenue bonds					<u>\$ 64,846,526</u>

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Annual debt service requirements to maturity for the City's revenue bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 4,575,383	\$ 3,001,372	\$ 7,576,755
2007	3,699,812	2,823,351	6,523,163
2008	3,854,595	2,666,919	6,521,514
2009	4,012,121	2,505,879	6,518,000
2010	4,180,109	2,336,811	6,516,920
2011-2015	20,662,862	8,787,544	29,450,406
2016-2020	19,896,643	3,355,665	23,252,308
2021-2025	3,965,001	174,587	4,139,588
	<u>\$ 64,846,526</u>	<u>\$ 25,652,128</u>	<u>\$ 90,498,654</u>

Installment Purchase Contracts

A summary of the installment purchase contracts serviced by the City is as follows:

Original Issue		Payment Information		Outstanding	Security
Date	Rate	Period	Amount	Balance	
Governmental Funds:					
June 2001	3.96%	Quarterly	\$ 30,982	\$ 91,136	Equipment
August 2001	4.095%	Quarterly	77,960	292,269	Equipment
December 2002	2.278%	Quarterly	39,960	321,260	Equipment
September 2003	1.97%	Quarterly	86,544	909,320	Equipment
June 2004	3.12%	Quarterly	137,455	1,943,185	Equipment
				<u>\$ 3,557,170</u>	
Enterprise Funds:					
November 2003	3.02%	Semi-annual	\$ 72,053	\$ 1,152,843	Equipment
December 2002	2.278%	Quarterly	3,329	28,350	Equipment
August 2001	4.095%	Quarterly	3,012	11,748	Equipment
September 2003	1.97%	Quarterly	8,190	96,716	Equipment
September 2004	3.12%	Quarterly	7,797	116,862	Equipment
				<u>\$ 1,406,519</u>	

Annual debt service requirements to maturity for the City's installment purchase contracts are as follows:

	<u>Governmental Funds</u>			<u>Enterprise Funds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 1,286,903	\$ 86,536	\$ 1,373,439	\$ 225,566	\$ 39,451	\$ 265,017
2007	927,304	53,401	980,705	215,566	33,049	248,615
2008	834,289	28,417	862,706	214,269	26,957	241,226
2009	508,674	9,958	518,632	174,697	21,271	195,968
2010	-	-	-	144,105	16,320	160,425
2011-2015	-	-	-	432,316	22,848	455,164
	<u>\$ 3,557,170</u>	<u>\$ 178,312</u>	<u>\$ 3,735,482</u>	<u>\$ 1,406,519</u>	<u>\$ 159,896</u>	<u>\$ 1,566,415</u>

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Other Types of Debt

A summary of the other types of debt serviced by GUC is as follows:

2.55% State Revolving Loan, \$3 million authorized and \$3 million drawn to date, estimated annual installments of \$236,654 to \$289,615, including interest, issued in 1997	\$ 2,307,692
2.87% State Revolving Loan, \$3 million authorized and \$3 million drawn to date, estimated annual installments of \$205,740 to \$274,620, including interest, issued in 1998	2,600,000
2.57% State Revolving Loan, \$11,694,486 authorized and \$10,229,907 drawn to date, estimated annual installments of \$699,521 to \$1,203,849, including interest, issued in 2002	10,229,907
Bethel Interlocal Agreement, with an effective interest rate of 5.53%, annual installments of \$220,916 to \$276,296, including interest, final payment due May 1, 2023	2,724,869
4.5% GTP loan payable in quarterly installments of \$15,576, including interest, issued May 26, 2000, final payment due June 1, 2010	278,031
2.63% installment loan payable in monthly installments of \$6,157, including interest, issued April 3, 2003, final payment due April 3, 2006	<u>60,839</u>
Total other debt serviced by GUC	<u>\$ 18,201,338</u>

Annual debt service requirements to maturity for other debt serviced by GUC are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 1,375,623	\$ 770,022	\$ 2,145,645
2007	1,317,101	493,024	1,810,125
2008	1,319,525	469,911	1,789,436
2009	1,322,059	434,531	1,756,590
2010	1,325,282	399,038	1,724,320
2011-2015	6,320,724	1,493,834	7,814,558
2016-2020	4,766,877	737,323	5,504,200
2021-2025	454,147	241,674	695,821
	<u>\$ 18,201,338</u>	<u>\$ 5,039,357</u>	<u>\$ 23,240,695</u>

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

The City is subject to the Municipal Finance Law of North Carolina which limits the amount of net bonded debt the City may have outstanding to 8 percent of the appraised value of property subject to taxation. At June 30, 2005, net debt outstanding subject to the limit was \$41,372,170. The statutory limit at that date was \$304,704,715 providing a debt margin of \$256,946,026.

4. Accounts Payable and Interfund Balances

Accounts Payable Disaggregate Information

<u>Type of Payable</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Trade payables	\$ 792,230	\$ 15,755,489	\$ 16,547,719
Accrued salaries and fringes	2,682,762	1,188,991	3,871,753
Other	-	6,150	6,150
Total	<u>\$ 3,474,992</u>	<u>\$ 16,950,630</u>	<u>\$ 20,425,622</u>

The composition of internal balances as of June 30, 2005 are as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 1,823,553	\$ 37,580
Community Development Fund	-	386,610
Capital Reserve Fund	-	130,726
Sheppard Memorial Library	-	60,177
Small Business Loan Program	-	5,732
Community Development Home Program	-	69,145
Affordable Housing Project	1,580	-
Cemetery Development Fund	-	327,694
Greene Street Bridge & Streetscape Improvements	-	60,684
Recreation & Parks and Public Works FEMA Project	-	487,506
Acquatic and Fitness Center Fund	-	27,420
Public Transportation Fund	-	1,321
Bradford Creek Golf Course Fund	-	177,561
Stormwater Utility Fund	257,372	84,318
Electric Fund	-	194,124
Water Fund	-	28
Sewer Fund	-	28
Gas Fund	-	56
Internal Service Fund	-	31,795
	<u>\$ 2,082,505</u>	<u>\$ 2,082,505</u>

Amounts due to/from the various funds of the government were primarily for operating purposes.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

5. Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the last three fiscal years there have been no insurance settlements that exceeded insurance coverage. Property and liability coverages are provided through third party insurance. The City's retention is on a per claim basis as follows:

Buildings and contents	\$ 10,000
Public officials' liability	\$ 25,000

Coverages

	<u>Liability Coverage Limits</u>
Blanket property and personal property	\$ 47,753,824
Excess liability (general, auto, public officials, law enforcement, firefighters, errors & omission, employers liability)	5,000,000
Workers' compensation	Statutory
Public officials' legal liability	250,000
Public employees' blanket bond	500,000
Public officials' bonds - Director of Financial Services	\$ 250,000

Workers' Compensation, General Liability, and Auto Liability

A limited risk management program to provide workers' compensation benefits to City employees is accounted for in the General Fund. The General Fund is reimbursed premium costs by other funds. The interfund premiums are based upon the claims experience of the insured funds and are used to reduce the amount of claims expenditure reported in the General Fund. An excess coverage insurance policy provides for individual claims in excess of \$600,000.

In addition, the City has purchased a commercial general liability and auto liability protection insurance policy that provides for individual claims in excess of \$1,000,000. The program is accounted for in the General Fund, and premium costs are reimbursed by other funds. The third party administrator calculated a reserve of \$220,583 as of June 30, 2005, based on historical trends and information outstanding at June 30, 2005.

All reserves and estimated claims reported but not paid are accrued and reported within the General Fund and the Internal Service Fund.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

6. Jointly Governed Organizations

Pitt-Greenville Convention and Visitors Authority

The City Council appoints five of the eleven-member board of the Pitt-Greenville Convention and Visitors Authority (the "Authority"). The City's accountability is to approve the annual budget along with the County of Pitt. The City does not contribute funds to the Authority. The Authority's operating funds are derived from a hotel and motel occupancy tax levied by Pitt County. The City has no other fiscal responsibility for the Authority.

North Carolina Eastern Municipal Power Agency

The City, in conjunction with 32 other local governments, is a member of the North Carolina Eastern Municipal Power Agency (the "Agency"). The Agency was formed to enable municipalities that own electric distribution systems to finance, construct, own, operate and maintain generation and transmission facilities. Each participating government appoints one commissioner to the Agency's governing board. The 32 members, which receive power from the Agency, have signed power sales agreements to purchase a specified share of the power generated by the Agency. Except for the power sales purchase requirements, no local government participant has any obligation, entitlement or residual interest. The City's purchases of power for the fiscal year ended June 30, 2005, were \$109,759,837.

7. Joint Ventures

Convention Center

The City is a participant with the County of Pitt in a joint venture to purchase and develop property to be used as a convention center. Upon dissolution, the assets would be shared in proportion to each sponsor's original contribution. The City's initial contribution totaled \$1,200,000 which represents three-fifths of the total contribution. In April 2003 the City issued \$6.8 million of Special Obligation Revenue Bonds for the construction of the Convention Center. This debt will be repaid through the collection of hotel and motel occupancy tax. The Convention Center opened in May 2003 and is operated by an independent management firm.

Pitt-Greenville Airport Authority

The City is a participant with the County of Pitt (the "County") in a joint venture to operate Pitt-Greenville Airport Authority (the "Authority") for the joint benefit of all co-sponsors. Upon dissolution of the Authority, the assets would be shared in proportion to each sponsor's original contribution. The City's initial contribution totaled \$3,250 which represents one-half of the total contribution. The Authority is governed by an eight-member board; four from the City and four from the County. All co-sponsors are obligated to contribute funds on an annual basis, as needed, to enable the Authority to operate the airport. The City made \$26,341 in contributions to the Authority during the fiscal year ended June 30, 2005. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2005. Complete financial statements for the Authority can be obtained from the Authority's Administrative Office at Airport Road, Post Office Box 671, Greenville, North Carolina, 27835.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

8. Related Organizations

Greenville Housing Authority

The Mayor appoints the seven-member board of the Greenville Housing Authority. The City's accountability does not extend beyond making these appointments.

9. Claims and Judgments

The City is a defendant in various litigation incidental to carrying out its functions. In the opinion of the City's chief legal counsel, these claims should not result in judgments which, in the aggregate, would have a material adverse effect on the City's financial statements. In the event of an unfavorable outcome, the City could be liable up to its general liability insurance deductible.

10. Contingencies

A site of a former coal gasification plant owned by the City may contain contaminated soil resulting from the production of coal tar as a by-product of the coal gasification process. The cost of any remedial actions which may or may not be required is unknown and no amounts have been accrued as of June 30, 2005. Management of the City believes the ultimate liability, if any, related to this site will not be material to the City's financial statements.

The City of Greenville has entered into an agreement to construct an industrial park pump station and force mains with the Town of Bethel and Pitt County. Financing for the project will be provided by the Town of Bethel through a loan from the North Carolina State Revolving loan fund. The City's share of the debt is estimated to be \$2,895,724 and is to be repaid to Bethel over 20 years at 5.33% interest.

11. Federal and State Assisted Programs

The City has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

CITY OF GREENVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

12. Transfers

The enterprise funds provide a supplemental local resource for the City's governmental funds. The General Fund and Capital Reserve Special Revenue Fund generally provide the basis of local resources for other governmental funds. The principal purposes for the transfers are for debt service and funding capital projects. These transactions are recorded as "Transfers to Other Funds" in the providing funds and "Transfers From Other Funds" in the receiving funds. Interfund operating transfers are summarized as follows:

Fund Type	Fund Name	Transfers	
		From Other Funds	To Other Funds
General Fund	General Fund	\$ 4,521,111	\$ 8,206,549
Enterprise Fund	Electric Fund	-	3,727,337
Enterprise Fund	Gas Fund	-	856,349
Special Revenue	Capital Reserve	1,928,810	-
Special Revenue	Sheppard Memorial Library	876,322	-
Capital Project	Moye-Hooker Road Project	-	8,922
Capital Project	Storm Drainage Project	-	512
Capital Project	Convention Center Project	-	786,659
Capital Project	Recreation & Parks and Public Works FEMA Project	172,010	-
Enterprise Fund	Public Transportation Fund	202,439	-
Enterprise Fund	Stormwater Utility Fund	235,699	-
Debt Service	Debt Service	5,649,937	-
		<u>\$ 13,586,328</u>	<u>\$ 13,586,328</u>

13. Prior Period Adjustment

Beginning net assets and beginning fund balance was adjusted to correct reporting errors from the prior year. A summary of the adjustments follows:

Prior Period Adjustment	Governmental Activities	
	Net Assets	Fund Balance
Overstatement of compensated absences payable	\$ 970,860	\$ 606,558
Understatement of capital assets	4,421,001	-
	<u>\$ 5,391,861</u>	<u>\$ 606,558</u>

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REQUIRED SUPPLEMENTAL FINANCIAL DATA

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CITY OF GREENVILLE, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2005

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued Liability (AAL) -Projected Unit Credit B	Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
12/31/2004	\$ -	\$ 2,874,490	\$ 2,874,490	0.00%	\$ 7,292,653	39.42%
12/31/2003	-	2,683,598	2,683,598	0.00%	6,291,158	42.66%
12/31/2002	-	2,389,580	2,389,580	0.00%	6,251,285	38.23%
12/31/2001	-	2,436,059	2,436,059	0.00%	6,559,387	37.14%
12/31/2000	-	2,138,793	2,138,793	0.00%	5,973,452	35.80%
12/31/1999	-	1,404,612	1,404,612	0.00%	5,975,122	23.51%
12/31/1998	-	1,195,151	1,195,151	0.00%	4,752,926	25.15%
12/31/1997	-	1,055,605	1,055,605	0.00%	4,187,457	25.21%
12/31/1996	-	904,591	904,591	0.00%	3,844,427	23.53%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Amount Contributed By Employer	Percentage of ARC Contributed
2005	\$ 273,669	\$ 207,673	75.88%
2004	273,784	117,577	42.95%
2003	241,194	87,762	36.39%
2002	228,204	71,674	31.41%
2001	155,537	57,539	36.99%
2000	135,626	55,381	40.83%
1999	141,630	65,489	46.24%
1998	124,698	46,421	37.23%

Notes to the Required Schedules:

The information presented above was determined as part of the actuarial valuation at the dates indicated.
Additional information as of the latest valuation follows:

Valuation date	12/31/2004
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	26 years
Asset valuation method	Market value
Actuarial Assumptions:	
Investment rate of return *	7.25% * Includes inflation at 3.75%
Projected salary increases *	5.9 - 9.8%
Cost of living adjustments	N/A

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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GENERAL FUND

The General Fund is established to account for the revenues and expenditures in operating the general government functions of a nonproprietary nature. This fund receives ad valorem tax revenues, state shared revenues, licenses, permits and fees. The major operating activities include general government, police, fire, public works, parks and recreation and other governmental service functions.

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	2005			2004
	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Ad Valorem Taxes:				
Current year operations	\$ 20,737,594	\$ 21,023,782		\$ 18,611,092
Prior year	466,500	387,818		435,673
Interest and penalties	152,226	167,223		179,064
Tax discounts	(197,121)	(213,092)		(171,697)
Tax refunds	(17,897)	(40,771)		(22,731)
Total Ad Valorem Taxes	21,141,302	21,324,960	183,658	19,031,401
Other Taxes:				
Local options sales tax	3,941,263	5,047,374		4,322,041
Cable TV franchise tax	536,038	451,604		547,661
One-half percent sales tax	6,435,798	6,367,304		5,789,002
Rental vehicle - gross receipts	73,868	69,605		82,181
Total Other Taxes	10,986,967	11,935,887	948,920	10,740,885
Unrestricted Intergovernmental:				
Other unrestricted revenues	20,061	23,660		20,061
Utilities franchise tax	3,663,159	3,669,785		3,538,871
Beer and wine tax	269,474	291,246		272,651
Total Unrestricted Intergovernmental	3,952,694	3,984,691	31,997	3,831,583
Restricted Intergovernmental:				
Federal forfeiture				
NC DOT traffic control lights	115,186	127,197		118,700
Pitt County Rescue contribution	-	-		267,000
Pitt County Fire contribution	9,005	6,754		11,256
Housing Authority Drug Grant	142,521	147,709		110,305
Special Federal, State and Local Grants	227,660	47,924		42,387
Federal Emergency Management Asst.	70,000	44,038		321,127
Section 104F Planning Grant	62,000	119,782		108,600
Law enforcement block grant	616,487	225,961		85,354
Other restricted intergovernmental revenue	211,493	421,000		61,185
Powell Bill - State allocation payment	1,791,121	1,912,098		1,680,629
Total Restricted Intergovernmental	3,245,473	3,052,463	(193,010)	2,806,543

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	2005			2004
	Final Budget	Actual	Variance Positive (Negative)	Actual
Licenses, Permits and Fees:				
Privilege licenses	421,990	495,890		404,908
Auto licenses	770,978	774,736		761,835
Inspection fees	918,559	1,234,001		956,267
State fire protection	202,740	202,740		202,740
Planning department fees	188,545	240,327		223,490
Police department fees	106,799	124,665		117,887
Fire and rescue department fees	95,850	127,231		122,107
Refuse fees	3,854,160	3,880,096		3,804,556
Other permits and fees	103,937	119,491		106,148
Total Licenses, Permits and Fees	6,663,558	7,199,177	535,619	6,699,938
Sales and Services:				
Rescue fees	1,254,142	1,693,820		1,505,585
Recreation department programs and fees	404,343	372,407		324,443
Utilities street cuts	175,000	160,671		172,549
Rents and concessions	110,300	101,087		100,115
Other sales and services	787,051	1,286,888		665,376
Pitt County Board of Education	225,570	210,338		210,338
Total Sales and Services	2,956,406	3,825,211	868,805	2,978,406
Investment earnings	119,662	596,187	476,525	202,589
Other Revenues:				
Parking violation penalty	107,100	108,107		137,322
Other revenues	45,696	135,967		15,905
Total Other Revenues	152,796	244,074	91,278	153,227
Total Revenues	49,218,858	52,162,650	2,943,792	46,444,572
Expenditures:				
General Government:				
Mayor and City Council:				
Salaries and benefits	39,985	35,475	4,510	30,796
Operating expenses	305,344	245,719	59,625	228,930
Fees paid to elected officials	56,800	56,786	14	58,504
Total Mayor and City Council	402,129	337,980	64,149	318,230
City Manager:				
Salaries and benefits	650,992	588,388	62,604	472,155
Operating expenses	115,815	100,891	14,924	50,154
Capital outlay	16,010	14,537	1,473	4,231
Total City Manager	782,817	703,816	79,001	526,540

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	2005		2004	
	Final Budget	Actual	Variance Positive (Negative)	Actual
City Clerk:				
Salaries and benefits	192,832	188,076	4,756	173,042
Operating expenses	57,782	63,388	(5,606)	46,314
Total City Clerk	250,614	251,464	(850)	219,356
City Attorney:				
Salaries and benefits	286,175	287,263	(1,088)	264,478
Operating expenses	27,480	27,800	(320)	22,608
Total City Attorney	313,655	315,063	(1,408)	287,086
Human Resources, Administrative:				
Salaries and benefits	1,082,598	975,048	107,550	843,343
Operating expenses	395,640	335,812	59,828	296,977
Total Human Resources - Administrative	1,478,238	1,310,860	167,378	1,140,320
Human Resources, Building Services:				
Salaries and benefits	108,206	107,617	589	178,126
Operating expenses	722,742	620,136	102,606	921,758
Capital outlay	17,750	16,491	1,259	57,700
Total Human Resources, Building Services	848,698	744,244	104,454	1,157,584
Total Human Resources	2,326,936	2,055,104	271,832	2,297,904
Financial Services:				
Salaries and benefits	1,014,649	994,663	19,986	899,743
Operating expenses	519,697	495,257	24,440	438,934
Capital outlay	800	798	2	875
Total Financial Services	1,535,146	1,490,718	44,428	1,339,552
Information Technology:				
Salaries and benefits	1,109,629	1,065,255	44,374	920,673
Operating expenses	1,119,804	820,147	299,657	444,604
Capital outlay	1,040,816	670,148	370,668	336,514
Total Information Technology	3,270,249	2,555,550	714,699	1,701,791
Development - Administration:				
Salaries and benefits	305,587	254,239	51,348	312,757
Operating expenses	18,597	18,166	431	15,425
Capital outlay	2,000	-	2,000	93,895
Total Development - Administration	326,184	272,405	53,779	422,077

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	2005		2004	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Development - Land Development & Zoning:				
Salaries and benefits	567,426	562,447	4,979	489,575
Operating expenses	25,766	22,321	3,445	16,595
Capital outlay	1,200	1,200	-	-
Total Development - Land Dev. & Zoning	594,392	585,968	8,424	506,170
Development - Long Range Planning:				
Salaries and benefits	192,974	196,081	(3,107)	199,234
Operating expenses	25,935	15,661	10,274	18,379
Capital outlay	220,232	48,194	172,038	98,323
Total Development - Long Range Planning	439,141	259,936	179,205	315,936
Development - Community Development:				
Salaries and benefits	96,018	78,931	17,087	81,709
Operating expenses	14,573	13,360	1,213	13,628
Total Development - Community Development	110,591	92,291	18,300	95,337
Redevelopment Commission:				
Supplies and materials	24,000	23,723	277	282
Capital outlay	87,748	82,762	4,986	37,253
Total Development - Re-Development Commission	111,748	106,485	5,263	37,535
Total Development	1,582,056	1,317,085	264,971	1,377,055
Engineering:				
Salaries and benefits	1,065,924	998,158	67,766	893,827
Operating expenses	1,315,452	1,201,227	114,225	1,126,177
Capital outlay	232,143	23,549	208,594	146,067
Total Engineering - General	2,613,519	2,222,934	390,585	2,166,071
Inspections:				
Salaries and benefits	536,886	535,304	1,582	495,650
Operating expenses	24,498	23,713	785	22,043
Capital outlay	-	-	-	1,741
Total Inspections	561,384	559,017	2,367	519,434
Fleet Maintenance:				
Salaries and benefits	958,887	897,516	61,371	834,120
Operating expenses	105,915	72,445	33,470	89,836
Capital outlay	254,115	243,439	10,676	16,066
Total Fleet Maintenance	1,318,917	1,213,400	105,517	940,022
Total General Government	14,957,422	13,022,131	1,935,291	11,693,041

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	2005			2004
	Final Budget	Actual	Variance Positive (Negative)	Actual
Public Safety:				
Fire and Rescue:				
Salaries and benefits	8,052,283	7,754,872	297,411	7,289,386
Operating expenses	616,063	522,443	93,620	488,200
Capital outlay	1,735,747	611,324	1,124,423	359,902
Total Fire and Rescue	10,404,093	8,888,639	1,515,454	8,137,488
Police:				
Salaries and benefits	12,879,567	12,471,443	408,124	11,350,563
Operating expenses	1,582,788	1,665,712	(82,924)	1,331,599
Capital outlay	1,154,667	737,087	417,580	811,623
Total Police	15,617,022	14,874,242	742,780	13,493,785
Total Public Safety	26,021,115	23,762,881	2,258,234	21,631,273
Transportation:				
Administration:				
Salaries and benefits	460,188	433,656	26,532	529,422
Operating expenses	128,550	148,784	(20,234)	147,794
Capital outlay	309,000	1,830	307,170	-
Total Administration	897,738	584,270	313,468	677,216
Buildings and Grounds:				
Salaries and benefits	943,253	922,550	20,703	905,706
Operating expenses	164,719	151,297	13,422	122,904
Capital outlay	337,160	266,854	70,306	108,303
Total Buildings and Grounds	1,445,132	1,340,701	104,431	1,136,913
Streets:				
Salaries and benefits	605,780	658,235	(52,455)	723,619
Operating expenses	217,871	198,956	18,915	164,113
Capital outlay	1,831,902	666,551	1,165,351	691,299
Total Streets	2,655,553	1,523,742	1,131,811	1,579,031
Airport:				
Salaries and benefits	-	15,484	(15,484)	-
Allotment	33,333	475	32,858	371
Total Airport	33,333	15,959	17,374	371
Total Transportation	5,031,756	3,464,672	1,567,084	3,393,531
Environmental Protection:				
Sanitation:				
Salaries and benefits	2,910,433	2,893,112	17,321	2,654,068
Operating expenses	412,988	447,487	(34,499)	373,116
Capital outlay	254,235	26,808	227,427	534,195
Total Sanitation	3,577,656	3,367,407	210,249	3,561,379
Total Environmental Protection	3,577,656	3,367,407	210,249	3,561,379

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	2005		2004	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Cultural and Recreational:				
Recreation:				
Salaries and benefits	1,532,341	1,403,590	128,751	1,412,833
Operating expenses	430,733	387,618	43,115	268,146
Capital outlay	429,672	461,181	(31,509)	72,782
Total Recreation	2,392,746	2,252,389	140,357	1,753,761
Parks:				
Salaries and benefits	1,382,209	1,359,951	22,258	1,290,083
Operating expenses	531,462	493,146	38,316	467,426
Capital outlay	104,562	177,916	(73,354)	216,895
Total Parks	2,018,233	2,031,013	(12,780)	1,974,404
Teen Center:				
Salaries and benefits	11,114	5,448	5,666	7,175
Operating expenses	14,658	16,261	(1,603)	15,508
Capital outlay	-	-	-	26,842
Total Teen Center	25,772	21,709	4,063	49,525
Library:				
Salaries and benefits	-	(15,169)	15,169	-
Allotment	-	2,344	(2,344)	5,169
Carver library renovation	21,896	20,016	1,880	79,117
Total Library	21,896	7,191	14,705	84,286
Sports Center:				
Salaries and benefits	41,303	43,118	(1,815)	-
Operating expenses	21,000	30,930	(9,930)	-
Capital outlay	2,000	1,128	872	-
Total Sports Center	64,303	75,176	(10,873)	-
Total Cultural and Recreational	4,522,950	4,387,478	135,472	3,861,976
Total expenditures	54,110,899	48,004,569	6,106,330	44,141,200
Revenues over/(under) expenditures	(4,892,041)	4,158,081	9,050,122	2,303,372

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	2005			2004
	Final Budget	Actual	Variance Positive (Negative)	Actual
Other Financing Sources (Uses):				
Transfers From Other Funds:				
Greenville Utilities Commission turnover	4,175,035	4,071,733	(103,302)	3,985,518
Greenville Utilities Commission, Street:				
Lighting reimbursement	494,000	449,378	(44,622)	477,667
Capital reserve fund	76,712	-	(76,712)	21,750
Transfers to Other Funds:				
Debt service fund	(4,612,820)	(4,863,279)	(250,459)	(3,202,951)
Public transportation fund	(239,161)	(202,439)	36,722	(99,301)
Sheppard Memorial Library Special revenue fund	(876,322)	(876,322)	-	(857,402)
Stormwater Utility fund	(235,699)	(235,699)	-	(235,699)
Cemetery fund	-	-	-	(210,000)
Clean Water Management fund	-	-	-	(3,041)
Capital reserve fund	(2,319,810)	(2,028,810)	291,000	(1,124,340)
Long term debt issued	2,411,054	2,411,054	-	1,496,221
Contingency	(250,107)	-	250,107	-
Appropriated fund balance	6,269,159	-	(6,269,159)	-
Total other financing sources (uses)	4,892,041	(1,274,384)	(6,166,425)	248,422
Excess of revenues and other financing sources over/(under) expenditures and other financing uses	\$ -	2,883,697	\$ 2,883,697	2,551,794
Fund balance, Beginning of year - July 1st		23,031,474		20,479,680
Prior period adjustment		606,558		-
Fund balance, Beginning of year - restated		23,638,032		20,479,680
Fund balance, End of year - June 30th		<u>\$ 26,521,729</u>		<u>\$ 23,031,474</u>

CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2005

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total
Assets:				
Cash and cash equivalents	\$ 7,768,493	\$ 1,313,208	\$ 12,652,312	\$ 21,734,013
Accounts receivable, net	894	-	-	894
Interest receivable	3,499	-	-	3,499
Loans receivable	389,031	-	73,279	462,310
Due from other funds	-	-	1,580	1,580
Due from other governments	88,131	-	31,241	119,372
Prepaid items and deposits	53,006	-	-	53,006
Total assets	<u>\$ 8,303,054</u>	<u>\$ 1,313,208</u>	<u>\$ 12,758,412</u>	<u>\$ 22,374,674</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 14,125	\$ -	\$ 34,375	\$ 48,500
Due to other funds	652,390	-	875,884	1,528,274
Deferred revenue	395,440	-	73,279	468,719
Total liabilities	<u>1,061,955</u>	<u>-</u>	<u>983,538</u>	<u>2,045,493</u>
Fund Balances:				
Reserved by State statute	29,629	-	-	29,629
Reserved for prepaid items and inventories	53,006	-	-	53,006
Fund balance - unreserved - undesignated,	7,158,464	1,313,208	11,774,874	20,246,546
Total fund balances	<u>7,241,099</u>	<u>1,313,208</u>	<u>11,774,874</u>	<u>20,329,181</u>
Total liabilities and fund balances	<u>\$ 8,303,054</u>	<u>\$ 1,313,208</u>	<u>\$ 12,758,412</u>	<u>\$ 22,374,674</u>

CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2005

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues:				
Other taxes	\$ -	\$ 547,684	\$ -	\$ 547,684
Restricted	2,631,637	-	858,021	3,489,658
Sales and services	226,248	-	-	226,248
Investment earnings	59,377	9,448	297,466	366,291
Other revenues	27,097	-	352,341	379,438
Total revenues	2,944,359	557,132	1,507,828	5,009,319
Expenditures:				
Current:				
Cultural and recreational	1,741,625	-	-	1,741,625
Economic and physical development	1,932,449	-	-	1,932,449
Capital outlay	-	-	7,978,570	7,978,570
Principal retirement	-	3,611,981	-	3,611,981
Interest and fees	-	1,697,571	-	1,697,571
Total expenditures	3,674,074	5,309,552	7,978,570	16,962,196
Excess (deficiency) of revenues over (under) expenditures	(729,715)	(4,752,420)	(6,470,742)	(11,952,877)
Other Financing Sources (Uses):				
Long-term debt issued	-	-	15,985,000	15,985,000
Transfers from other funds	2,805,132	5,649,938	172,010	8,627,080
Transfers to other funds	-	-	(796,093)	(796,093)
Total other financing sources (uses)	2,805,132	5,649,938	15,360,917	23,815,987
Net change in fund balances	2,075,417	897,518	8,890,175	11,863,110
Fund Balances:				
Fund balances, beginning of year - July 1st	5,165,682	415,690	2,884,699	8,466,071
Fund balances, end of year - June 30th	\$ 7,241,099	\$ 1,313,208	\$ 11,774,874	\$ 20,329,181

NONMAJOR SPECIAL REVENUE FUNDS

COMMUNITY DEVELOPMENT FUND

The Community Development Fund is established to account for United States Department of Housing and Urban Development (HUD) block grant proceeds allocated to the City for community development programs.

CAPITAL RESERVE FUND

The Capital Reserve Fund is used to accumulate funds to be used for future capital improvements. These improvements consist of construction and other capital projects.

SHEPPARD MEMORIAL LIBRARY

The Sheppard Memorial Library Fund is used to accumulate funds to provide the residents of the City of Greenville and Pitt County with a free public library.

HOUSING TRUST FUND

The Housing Trust Fund is established to account for Department of Housing and Urban Development (HUD) grant proceeds allocated to the City for distribution as home buyer assistance loans to first time home purchasers.

SMALL BUSINESS LOAN PROGRAM

The Small Business Loan Program is established to account for proceeds from area banks for distribution as loans to small businesses meeting criteria established by the loan committee.

COMMUNITY DEVELOPMENT HOME PROGRAM

The Community Development Fund is established to account for United States Department of Housing and Urban Development (HUD) home program grant proceeds allocated to the City for community development programs.

CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2005

	Community Development Fund	Capital Reserve Fund	Sheppard Memorial Library	Housing Trust Fund
Assets:				
Cash and cash equivalents	\$ 322,427	\$ 6,487,216	\$ 699,241	\$ 34,274
Accounts receivable, net	-	-	894	-
Interest receivable	-	-	3,499	-
Loans receivable	127,285	-	-	21,210
Due from other governments	62,895	-	25,236	-
Prepaid items and deposits	-	-	47,432	-
Total assets	<u>\$ 512,607</u>	<u>\$ 6,487,216</u>	<u>\$ 776,302</u>	<u>\$ 55,484</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 14,125	\$ -
Due to other funds	386,610	130,726	60,177	-
Deferred revenue	<u>132,800</u>	<u>-</u>	<u>894</u>	<u>20,996</u>
Total liabilities	<u>519,410</u>	<u>130,726</u>	<u>75,196</u>	<u>20,996</u>
Fund Balances:				
Reserved by State statute	-	-	29,629	-
Reserved for prepaid items and inventories	-	-	47,432	-
Fund balance - unreserved - undesignated	<u>(6,803)</u>	<u>6,356,490</u>	<u>624,045</u>	<u>34,488</u>
Total fund balance	<u>(6,803)</u>	<u>6,356,490</u>	<u>701,106</u>	<u>34,488</u>
Total liabilities and fund balances	<u>\$ 512,607</u>	<u>\$ 6,487,216</u>	<u>\$ 776,302</u>	<u>\$ 55,484</u>

Schedule C-1

Small Business Loan Program	Community Development Home Program	Total
\$ 138,917	\$ 86,418	\$ 7,768,493
-	-	894
-	-	3,499
187,808	52,728	389,031
-	-	88,131
<u>5,574</u>	<u>-</u>	<u>53,006</u>
<u>\$ 332,299</u>	<u>\$ 139,146</u>	<u>\$ 8,303,054</u>
\$ -	\$ -	\$ 14,125
5,732	69,145	652,390
<u>187,808</u>	<u>52,942</u>	<u>395,440</u>
<u>193,540</u>	<u>122,087</u>	<u>1,061,955</u>
-	-	29,629
5,574	-	53,006
<u>133,185</u>	<u>17,059</u>	<u>7,158,464</u>
<u>138,759</u>	<u>17,059</u>	<u>7,241,099</u>
<u>\$ 332,299</u>	<u>\$ 139,146</u>	<u>\$ 8,303,054</u>

CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2005

	Community Development Fund	Capital Reserve Fund	Sheppard Memorial Library	Housing Trust Fund
Revenues:				
Restricted	\$ 1,048,993	\$ -	\$ 781,368	\$ (24,500)
Sales and services	-	-	96,559	-
Investment earnings	(26,371)	83,578	912	309
Other revenues	-	-	25,545	1,552
Total revenues	<u>1,022,622</u>	<u>83,578</u>	<u>904,384</u>	<u>(22,639)</u>
Expenditures:				
Current:				
Cultural and recreational	-	-	1,741,625	-
Economic and physical development	<u>1,030,647</u>	<u>-</u>	<u>-</u>	<u>(35,500)</u>
Total expenditures	<u>1,030,647</u>	<u>-</u>	<u>1,741,625</u>	<u>(35,500)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,025)</u>	<u>83,578</u>	<u>(837,241)</u>	<u>12,861</u>
Other Financing Sources (Uses):				
Transfers from other funds	<u>-</u>	<u>1,928,810</u>	<u>876,322</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>1,928,810</u>	<u>876,322</u>	<u>-</u>
Net change in fund balances	(8,025)	2,012,388	39,081	12,861
Fund Balances:				
Fund balances, beginning of year	<u>1,222</u>	<u>4,344,102</u>	<u>662,025</u>	<u>21,627</u>
Fund balances, end of year	<u>\$ (6,803)</u>	<u>\$ 6,356,490</u>	<u>\$ 701,106</u>	<u>\$ 34,488</u>

Schedule C-2

Small Business Loan Program	Community Development Home Program	Total
\$ -	\$ 825,776	\$ 2,631,637
129,689	-	226,248
949	-	59,377
-	-	27,097
<u>130,638</u>	<u>825,776</u>	<u>1,838,159</u>
-	-	1,741,625
<u>131,700</u>	<u>805,602</u>	<u>1,932,449</u>
<u>131,700</u>	<u>805,602</u>	<u>3,674,074</u>
<u>(1,062)</u>	<u>20,174</u>	<u>(729,715)</u>
-	-	2,805,132
-	-	2,805,132
(1,062)	20,174	2,075,417
<u>139,821</u>	<u>(3,115)</u>	<u>5,165,682</u>
<u>\$ 138,759</u>	<u>\$ 17,059</u>	<u>\$ 7,241,099</u>

CITY OF GREENVILLE, NORTH CAROLINA

COMMUNITY DEVELOPMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
CDBG Entitlement Program:				
Property owners matching fund	\$ 105,943	\$ 94,694	\$ 60,151	\$ 154,845
Federal grant - HUD	9,635,000	7,680,088	951,686	8,631,774
Loan payments	307,199	312,329	37,156	349,485
Interest income	134,792	167,140	(26,371)	140,769
Sale of acquired property	104,930	106,966	-	106,966
Total CDBG entitlement program	10,287,864	8,361,217	1,022,622	9,383,839
Expenditures:				
CDBG Entitlement Program:				
Administration	1,397,392	1,245,536	159,486	1,405,022
Rehab - third party owned dwellings	4,285,734	3,745,162	326,114	4,071,276
Rehab - rental	89,841	89,841	-	89,841
Outside agency funding	948,650	748,902	148,809	897,711
Acquisition dilapidated	531,267	515,154	16,113	531,267
Code enforcement	124,000	124,000	-	124,000
Conversion program	210,000	95,781	60,963	156,744
Small area revitalization	782,830	778,099	4,752	782,851
Demolition grants	18,000	14,553	-	14,553
Ecnom. Dev. Study - West Grn./Meadowbrook	69,255	13,493	26,000	39,493
Neighborhood input grants	2,964	2,963	-	2,963
Concentrated needs	1,622,299	860,901	267,760	1,128,661
Sewer oakgrove	25,482	15,130	-	15,130
Other expenses	60,000	-	-	-
Administration	172,490	166,815	-	166,815
Clearance	40,900	37,930	20,650	58,580
Rehab-third party owned dwellings	105,757	105,754	-	105,754
Capital outlay	12,403	11,834	-	11,834
Total CDBG entitlement program	10,499,264	8,571,848	1,030,647	9,602,495
Excess of revenues over (under) expenditures	(211,400)	(210,631)	(8,025)	(218,656)
Other Financing Sources (Uses):				
Transfers In (Out):				
Transfer from other funds	353,900	354,353	-	354,353
Transfers to Small Business Loan Fund	(142,500)	(142,500)	-	(142,500)
Total other financing sources (uses)	211,400	211,853	-	211,853
Revenues and other financing sources				
over (under) expenditures and other financing uses	\$ -	\$ 1,222	\$ (8,025)	\$ (6,803)

CITY OF GREENVILLE, NORTH CAROLINA

CAPITAL RESERVE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment earnings	\$ -	\$ 83,578	\$ 83,578
Other Financing Sources (Uses):			
Transfers from other funds	2,219,810	1,928,810	(291,000)
Contingency	(2,219,810)	-	2,219,810
Total other financing sources (uses)	-	1,928,810	1,928,810
Total revenues and other financing sources	\$ -	2,012,388	\$ 2,012,388
Fund Balances:			
Fund balances, beginning of year		4,344,102	
Fund balances, end of year		\$ 6,356,490	

CITY OF GREENVILLE, NORTH CAROLINA

SHEPPARD MEMORIAL LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted Intergovernmental:			
County of Pitt	\$ 438,161	\$ 438,161	\$ -
Town of Bethel	21,237	21,237	-
Town of Winterville	103,431	103,431	-
State aid	192,333	192,333	-
Housing Authority	9,900	9,900	-
Other miscellaneous grants	-	7,436	7,436
Total restricted intergovernmental revenue	<u>765,062</u>	<u>772,498</u>	<u>7,436</u>
Other Revenues:			
Fines and fees	86,816	91,890	5,074
Photocopies	4,869	4,669	(200)
Interest earnings	5,000	9,782	4,782
Miscellaneous	38,800	25,545	(13,255)
Total other revenues	<u>135,485</u>	<u>131,886</u>	<u>(3,599)</u>
Total revenues	<u>900,547</u>	<u>904,384</u>	<u>3,837</u>
Expenditures:			
Cultural and Recreational:			
Salaries and benefits	1,213,398	1,142,722	70,676
Capital outlay	272,803	232,867	39,936
Maintenance and repairs	116,155	117,424	(1,269)
Other operating expenditures	274,022	248,612	25,410
Total expenditures	<u>1,876,378</u>	<u>1,741,625</u>	<u>134,753</u>
Excess of revenues over (under) expenditures	<u>(975,831)</u>	<u>(837,241)</u>	<u>138,590</u>
Other Financing Sources (Uses):			
Transfer from other funds	876,322	876,322	-
Appropriated fund balance	99,509	-	(99,509)
Total other financing sources (uses)	<u>975,831</u>	<u>876,322</u>	<u>(99,509)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>39,081</u>	<u>\$ 39,081</u>
Fund Balance, Beginning of year - July 1st		<u>662,025</u>	
Fund Balance, End of year - June 30th		<u>\$ 701,106</u>	

CITY OF GREENVILLE, NORTH CAROLINA

HOUSING TRUST FUND

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Restricted Intergovernmental:				
Grants	\$ 297,500	\$ 186,976	\$ (24,500)	\$ 162,476
Other Revenues:				
Investment earnings	4,265	6,578	309	6,887
Loan payments	7,210	13,699	1,552	15,251
Total other revenues	11,475	20,277	1,861	22,138
Total revenues	308,975	207,253	(22,639)	184,614
Expenditures:				
Secondary mortgage loan	150,000	35,500	(35,500)	-
Small area revitalization	19,332	19,330	-	19,330
Rehabilitation	221,113	215,374	-	215,374
Loans made	39,530	36,422	-	36,422
Total expenditures	429,975	306,626	(35,500)	271,126
Revenues over (under) expenditures	(121,000)	(99,373)	12,861	(86,512)
Other Financing Sources (Uses):				
Transfers From:				
Community Development Fund	121,000	121,000	-	121,000
Revenues and other financing sources and appropriated fund balance over expenditures and other financing uses	\$ -	\$ 21,627	\$ 12,861	\$ 34,488

CITY OF GREENVILLE, NORTH CAROLINA

SMALL BUSINESS LOAN FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Other Revenues:				
Bank contribution	\$ 475,000	\$ 448,243	\$ -	\$ 448,243
Loan payments	253,552	170,400	129,689	300,089
Application fees	2,000	1,550	-	1,550
Investment earnings	1,706	1,540	949	2,489
Total revenues	<u>732,258</u>	<u>621,733</u>	<u>130,638</u>	<u>752,371</u>
Expenditures:				
Administration	2,000	7	-	7
Payments to banks	255,258	266,802	35,647	302,449
Loans made	475,000	352,189	96,053	448,242
Loan loss reserve	142,500	5,414	-	5,414
Total expenditures	<u>874,758</u>	<u>624,412</u>	<u>131,700</u>	<u>756,112</u>
Excess of revenues over (under) expenditures	(142,500)	(2,679)	(1,062)	(3,741)
Other Financing Sources (Uses):				
Transfers From:				
Community Development Fund	<u>142,500</u>	<u>142,500</u>	<u>-</u>	<u>142,500</u>
Revenues and other financing sources and appropriated fund balance over expenditures and other financing uses	<u>\$ -</u>	<u>\$ 139,821</u>	<u>\$ (1,062)</u>	<u>\$ 138,759</u>

CITY OF GREENVILLE, NORTH CAROLINA

COMMUNITY DEVELOPMENT HOME PROGRAM FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues:				
Restricted Intergovernmental				
Property owners matching funds	\$ 40,140.00	\$ 24,321.00	\$ 15,900.00	\$ 40,221.00
HUD - City of Greenville	5,692,480	3,177,867	754,325	3,932,192
NCHFA - City of Greenville	20,400	-	-	-
NCHFA - Other consortium members	13,600	-	-	-
Loan payments	14,010	11,444	5,551	16,995
American Dream grant	58,010	-	50,000	50,000
Total revenues	<u>5,838,640</u>	<u>3,213,632</u>	<u>825,776</u>	<u>4,039,408</u>
Expenditures:				
Rehabilitation 3rd party owners	1,805,982	1,163,589	108,757	1,272,346
Program administration	358,796	326,653	33,139	359,792
Rehab to owner occupants	62,875	62,875	-	62,875
Small area revitalization	5,000	5,000	-	5,000
Secondary mortgage assistance	249,490	166,409	75,000	241,409
American dream	58,010	-	50,000	50,000
Transfers to other consortium members	3,298,487	1,492,221	538,706	2,030,927
Total expenditures	<u>5,838,640</u>	<u>3,216,747</u>	<u>805,602</u>	<u>4,022,349</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (3,115)</u>	<u>\$ 20,174</u>	<u>\$ 17,059</u>

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CAPITAL PROJECTS FUNDS

The purpose of the Capital Projects Funds is to account for the financial resources segregated for the acquisition of capital assets. The budget shown in the accompanying supplementary information is adopted for the life of the project. Proprietary fund capital projects are not reflected in the Capital Projects Funds, but in the respective enterprise funds. At June 30, 2005, the City had the following projects in the Capital Projects Funds:

CEMETERY DEVELOPMENT PROJECT – The Cemetery Development Project is established to account for funds to be used for the purchase and renovation of land for cemetery use.

FIRE TOWER PROJECT - The Fire Tower Project is established to account for funds used in the renovation of the fire training tower located on Chestnut Street.

MOYE-HOOKER ROAD PROJECT - The Moye-Hooker Road Project is established to account for funds used in the extension of Moye Boulevard to Hooker Road.

AFFORDABLE HOUSING PROJECT - The Affordable Housing Project is established to account for the funds that will increase opportunities for working families to become homeowners.

STORM DRAINAGE PROJECT - The Storm Drainage Project is established to account for the funds used in correcting drainage problems throughout the City.

CONVENTION CENTER PROJECT - The Convention Center Project is established to account for the funds used in the construction of the convention center.

SOUTHSIDE RECREATION CENTER PROJECT - The Southside Recreation Center Project is established to account for the funds that will be used in the construction of the Southside Recreation Center.

GREENE STREET BRIDGE RELOCATION AND STREETScape IMPROVEMENTS PROJECT - The Greene Street Bridge Relocation and Streetscape Improvements Project is established to account for the funds that will be used in the relocation of Greene Street Bridge and Streetscape Improvements.

COMPUTERIZED TRAFFIC SIGNAL PROJECT - The Computerized Traffic Signal Project is established to account for the funds that will be used in the construction and acquisition of assets for a computerized traffic signal system.

RECREATION & PARKS AND PUBLIC WORKS FEMA PROJECT - The Recreation & Parks and Public Works FEMA Project is established to account for the funds that will be used in the construction, repair, or replacement of assets that were flood damaged or destroyed and that are approved for reimbursement through Federal Emergency Management Assistance (FEMA).

STORMWATER MANAGEMENT PROGRAM AND CLEAN WATER MANAGEMENT TRUST FUND - The Stormwater Management Program and the Clean Water Management Trust Fund is established to account for the funds that will be used in the implementation of a Stormwater Management Program and for specifically approved projects under the Clean Water Management Trust Fund.

GREENWAY PHASE II PROJECT - The Greenway Phase II Project is established to account for funds to be used in the second phase of developing the Greenway.

OXFORD ROAD BRIDGE PROJECT - The Oxford Road Bridge Project is established to account for funds to be used to construct a bridge located on Oxford Road.

FLOOD BUYOUT, RELOCATION, & REPLACEMENT PROJECT - The Flood Buyout, Relocation, & Replacement Project is established to account for the funds used in the purchase, relocation, and replacement of residences that were flooded during Hurricane Floyd. This project fund is funded through Federal and State grants.

CITY HALL FACILITY – The City Hall Facility fund is established to account for funds to be used for the renovation of a facility to which the existing City Hall offices and services will be relocated.

2005 COPS VARIOUS CITY PROJECTS – The 2005 COPS Various City Projects consists of renovation and expansion of City administrative facilities, including Municipal Building and the Greenville Utilities Commission Building, the construction and equipping of a fire/rescue station and training facility, the expansion and renovation of a City library and the development, renovation and expansion of City park facilities.

CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2005

	Cemetery Development Fund	Fire Tower Project	Affordable Housing Project	Southside Recreation Center	Greene Street Bridge & Streetscape Improvements
Assets:					
Cash and cash equivalents	\$ 359,086	\$ 29,902	\$ 975,714	\$ 8,848	\$ (6,266)
Loans receivable	-	-	73,279	-	-
Due from other funds			1,580		
Due from other governments	-	-	-	-	30,486
Total assets	\$ 359,086	\$ 29,902	\$ 1,050,573	\$ 8,848	\$ 24,220
Liabilities and Fund Balances:					
Liabilities					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 34,010	\$ -	\$ 255
Due to other funds	327,694	-	-	-	60,684
Deferred revenue	-	-	73,279	-	-
Total liabilities	327,694	-	107,289	-	60,939
Fund Balances:					
Fund balance - unreserved - undesignated	31,392	29,902	943,284	8,848	(36,719)
Total fund balance	31,392	29,902	943,284	8,848	(36,719)
Total liabilities and fund balances	\$ 359,086	\$ 29,902	\$ 1,050,573	\$ 8,848	\$ 24,220

<u>Computerized Traffic Signal System</u>	<u>Recreation & Parks and Public Works FEMA Project</u>	<u>Greenway Phase II</u>	<u>Oxford Road Bridge Replacement</u>	<u>Flood Buyout Relocation & Replacement</u>	<u>2005 COPS Various City Projects</u>	<u>City Hall Facility</u>	<u>Total</u>
\$ 240,284	\$ 385,782	\$ 191,345	\$ 26,809	\$ 194,721	\$ 2,521,880	\$ 7,724,207	\$ 12,652,312
-	-	-	-	-	-	-	73,279
7	748	-	-	-	-	-	1,580
							31,241
<u>\$ 240,291</u>	<u>\$ 386,530</u>	<u>\$ 191,345</u>	<u>\$ 26,809</u>	<u>\$ 194,721</u>	<u>\$ 2,521,880</u>	<u>\$ 7,724,207</u>	<u>\$ 12,758,412</u>
\$ 110	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,375
-	487,506	-	-	-	-	-	875,884
-	-	-	-	-	-	-	73,279
110	487,506	-	-	-	-	-	983,538
240,181	(100,976)	191,345	26,809	194,721	2,521,880	7,724,207	11,774,874
240,181	(100,976)	191,345	26,809	194,721	2,521,880	7,724,207	11,774,874
<u>\$ 240,291</u>	<u>\$ 386,530</u>	<u>\$ 191,345</u>	<u>\$ 26,809</u>	<u>\$ 194,721</u>	<u>\$ 2,521,880</u>	<u>\$ 7,724,207</u>	<u>\$ 12,758,412</u>

CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2005

	Cemetery Development Fund	Fire Tower Project	Moye-Hooker Road Project	Affordable Housing Project	Storm Drainage Project	Convention Center Project	Southside Recreation Center
Revenues:							
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	2,826	202	199	5,910	3	17,777	53
Other revenues	-	-	-	224,662	-	27,888	-
Total revenues	\$ 2,826	\$ 202	\$ 199	\$ 230,572	\$ 3	\$ 45,665	\$ 53
Expenditures							
Current:							
Capital outlay	10,509	-	62,579	36,034	-	40,345	-
Total expenditures	10,509	-	62,579	36,034	-	40,345	-
Excess (deficiency) of revenues over (under) expenditures	(7,683)	202	(62,380)	194,538	3	5,320	53
Other Financing Sources (Uses):							
Long-term debt issued	-	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	(8,922)	-	(512)	(786,659)	-
Total other financing sources (uses)	-	-	(8,922)	-	(512)	(786,659)	-
Net change in fund balances	(7,683)	202	(71,302)	194,538	(509)	(781,339)	53
Fund Balances:							
Fund balances, beginning of year - July 1st	39,075	29,700	71,302	748,746	509	781,339	8,795
Fund balances, end of year - June 30th	\$ 31,392	\$ 29,902	\$ -	\$ 943,284	\$ -	\$ -	\$ 8,848

Schedule D-2

Greene Street Bridge & Streetscape Improvements	Computerized Traffic Signal System	Recreation & Parks and Public Works FEMA Project	Greenway Phase II	Oxford Road Bridge Replacement	Flood Buyout Relocation & Replacement	2005 COPS Various City Projects	City Hall Facility	Total
\$ 644,481	\$ -	\$ 34,286	\$ 136,514	\$ -	\$ 42,740	\$ -	\$ -	\$ 858,021
701	3,723	8,570	1,274	1,296	1,176	72,581	181,175	297,466
-	-	67,875	-	-	-	-	31,916	352,341
-	-	-	-	-	-	-	-	-
\$ 645,182	\$ 3,723	\$ 110,731	\$ 137,788	\$ 1,296	\$ 43,916	\$ 72,581	\$ 213,091	\$ 1,507,828
-	-	-	-	-	-	-	-	-
932,537	29,053	845,008	-	-	-	2,645,954	3,376,551	7,978,570
932,537	29,053	845,008	-	-	-	2,645,954	3,376,551	7,978,570
-	-	-	-	-	-	-	-	-
(287,355)	(25,330)	(734,277)	137,788	1,296	43,916	(2,573,373)	(3,163,460)	(6,470,742)
-	-	-	-	-	-	5,095,253	10,889,747	15,985,000
-	-	172,010	-	-	-	-	-	172,010
-	-	-	-	-	-	-	-	(796,093)
-	-	172,010	-	-	-	5,095,253	10,889,747	15,360,917
-	-	-	-	-	-	-	-	-
(287,355)	(25,330)	(562,267)	137,788	1,296	43,916	2,521,880	7,726,287	8,890,175
-	-	-	-	-	-	-	-	-
250,636	265,511	461,291	53,557	25,513	150,805	-	(2,080)	2,884,699
-	-	-	-	-	-	-	-	-
\$ (36,719)	\$ 240,181	\$ (100,976)	\$ 191,345	\$ 26,809	\$ 194,721	\$ 2,521,880	\$ 7,724,207	\$ 11,774,874

CITY OF GREENVILLE, NORTH CAROLINA

CEMETERY DEVELOPMENT

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues:				
Special Federal/State/Local grants	\$ 105,000	\$ 107,521	\$ -	\$ 107,521
Interest earnings	-	1,036	2,826	3,862
Total revenues	<u>105,000</u>	<u>108,557</u>	<u>2,826</u>	<u>111,383</u>
Expenditures:				
Capital improvements	<u>390,000</u>	<u>354,482</u>	<u>10,509</u>	<u>364,991</u>
Excess of revenues over (under) expenditures	<u>(285,000)</u>	<u>(245,925)</u>	<u>(7,683)</u>	<u>(253,608)</u>
Other Financing Sources (Uses):				
Bonds issued	75,000	75,000	-	75,000
Transfer to General Fund	(10,000)	(10,000)	-	(10,000)
Transfer from General Fund	<u>220,000</u>	<u>220,000</u>	<u>-</u>	<u>220,000</u>
Total other financing sources (uses)	<u>285,000</u>	<u>285,000</u>	<u>-</u>	<u>285,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 39,075</u>	<u>\$ (7,683)</u>	<u>\$ 31,392</u>

CITY OF GREENVILLE, NORTH CAROLINA

FIRE TOWER CAPITAL PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Interest earnings	\$ -	\$ 1,582	\$ 202	\$ 1,784
Fire rescue donation	5,000	5,000	-	5,000
Total revenues	5,000	6,582	202	6,784
Expenditures:				
Capital improvements	36,000	7,882	-	7,882
Excess of revenues over (under) expenditures	(31,000)	(1,300)	202	(1,098)
Other Financing Sources (Uses):				
Transfer from General Fund	31,000	31,000	-	31,000
Total other financing sources (uses)	31,000	31,000	-	31,000
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 29,700	\$ 202	\$ 29,902

CITY OF GREENVILLE, NORTH CAROLINA

MOYE-HOOKER ROAD CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Interest earnings	\$ 172,080	\$ 168,332	\$ 199	\$ 168,531
Total revenues	172,080	168,332	199	168,531
Expenditures:				
Engineering cost	413,418	405,029	-	405,029
Construction	5,179,186	5,259,805	62,579	5,322,384
Right of way	831,581	768,799	-	768,799
Contracted services	25,000	11,914	-	11,914
Demolition	19,500	19,500	-	19,500
Landscaping	160,705	100,704	-	100,704
Bond administration cost	18,575	18,569	-	18,569
Total expenditures	6,647,965	6,584,320	62,579	6,646,899
Excess of revenues over (under) expenditures	(6,475,885)	(6,415,988)	(62,380)	(6,478,368)
Other Financing Sources (Uses):				
Bonds issued	2,300,000	2,300,000	-	2,300,000
Transfer from other funds	4,175,885	4,187,290	(8,922)	4,178,368
Total other financing sources (uses)	6,475,885	6,487,290	(8,922)	6,478,368
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 71,302	\$ (71,302)	\$ -

CITY OF GREENVILLE, NORTH CAROLINA

AFFORDABLE HOUSING CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Interest earnings	\$ 160,500	\$ 157,173	\$ 5,910	\$ 163,083
Loan payments	142,100	117,622	27,662	145,284
Sale of property	1,176,000	1,035,783	197,000	1,232,783
Total revenues	1,478,600	1,310,578	230,572	1,541,150
Expenditures:				
Bond administration cost	6,349	6,349	-	6,349
Home ownership	1,496,151	713,691	6,191	719,882
Land banking	733,000	688,274	-	688,274
Rehabilitation	243,100	153,993	29,843	183,836
Total expenditures	2,478,600	1,562,307	36,034	1,598,341
Excess of revenues over (under) expenditures	(1,000,000)	(251,729)	194,538	(57,191)
Other Financing Sources (Uses):				
Bonds issued	1,000,000	1,000,475	-	1,000,475
Total other financing sources (uses)	1,000,000	1,000,475	-	1,000,475
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 748,746	\$ 194,538	\$ 943,284

CITY OF GREENVILLE, NORTH CAROLINA

STORM DRAINAGE CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Interest earnings	\$ 159,533	\$ 160,038	\$ 3	\$ 160,041
Total revenues	159,533	160,038	3	160,041
Expenditures:				
Engineering cost	2,125	2,122	-	2,122
Construction	490,235	490,234	-	490,234
Bond administration cost	6,653	6,653	-	6,653
Total expenditures	499,013	499,009	-	499,009
Excess of revenues over (under) expenditures	(339,480)	(338,971)	3	(338,968)
Other Financing Sources (Uses):				
Bonds issued	1,000,000	1,000,000	-	1,000,000
Transfer to Hooker Road Widening	(630,254)	(630,254)	(512)	(630,766)
Transfer to Moye-Hooker Road	(30,266)	(30,266)	-	(30,266)
Total other financing sources (uses)	339,480	339,480	(512)	338,968
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 509	\$ (509)	\$ -

CITY OF GREENVILLE, NORTH CAROLINA

CONVENTION CENTER CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Occupancy tax	\$ 3,106,252	\$ 3,106,253	\$ -	\$ 3,106,253
Interest earnings	534,481	520,892	17,777	538,669
Miscellaneous	404,882	379,319	27,888	407,207
Convention and visitors authority	78,127	78,127	-	78,127
Total revenues	<u>4,123,742</u>	<u>4,084,591</u>	<u>45,665</u>	<u>4,130,256</u>
Expenditures:				
Bond administration cost	133,102	133,102	-	133,102
Land acquisition	1,776,056	1,776,056	-	1,776,056
Site improvement	294,982	294,983	-	294,983
Feasibility and design	58,079	58,079	-	58,079
Construction	6,436,455	6,402,486	40,345	6,442,831
Furnishings	396,320	396,308	-	396,308
Joint venture reimbursement	800,000	800,000	-	800,000
Cost of collection	33,121	33,121	-	33,121
Total expenditures	<u>9,928,115</u>	<u>9,894,135</u>	<u>40,345</u>	<u>9,934,480</u>
Excess of revenues over (under) expenditures	<u>(5,804,373)</u>	<u>(5,809,544)</u>	<u>5,320</u>	<u>(5,804,224)</u>
Other Financing Sources (Uses):				
Bonds issued	6,591,515	6,591,518	-	6,591,518
Transfer to Debt Service Fund	(786,507)	-	(786,659)	(786,659)
Transfer to General Fund	(1,207,772)	(1,207,772)	-	(1,207,772)
Transfer from General Fund	1,207,137	1,207,137	-	1,207,137
Total other financing sources (uses)	<u>5,804,373</u>	<u>6,590,883</u>	<u>(786,659)</u>	<u>5,804,224</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 781,339</u>	<u>\$ (781,339)</u>	<u>\$ -</u>

CITY OF GREENVILLE, NORTH CAROLINA

SOUTHSIDE RECREATION CENTER CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Interest earnings	\$ 191,535	\$ 218,970	\$ 53	\$ 219,023
Special Federal/State/Local grants	250,000	250,000	-	250,000
Total revenues	441,535	468,970	53	469,023
Expenditures:				
Bond administration cost	38,900	31,827	-	31,827
Land acquisition	805,000	815,193	-	815,193
Engineering & architectural	384,240	352,626	-	352,626
Construction	3,685,260	3,660,075	-	3,660,075
Equipment	97,000	156,836	-	156,836
Total expenditures	5,010,400	5,016,557	-	5,016,557
Excess of revenues over (under) expenditures	(4,568,865)	(4,547,587)	53	(4,547,534)
Other Financing Sources (Uses):				
Bonds issued	4,038,900	4,038,898	-	4,038,898
Transfer from Capital Reserve	408,000	408,000	-	408,000
Transfer from General Fund	62,500	50,000	-	50,000
Transfer from Main Library Expansion	36,050	36,050	-	36,050
Transfer from Recreation & Parks Ctr. Exp.	4,600	4,609	-	4,609
Transfer from COPS Equipment fund	18,815	18,825	-	18,825
Total other financing sources (uses)	4,568,865	4,556,382	-	4,556,382
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 8,795	\$ 53	\$ 8,848

CITY OF GREENVILLE, NORTH CAROLINA

GREENE STREET BRIDGE RELOCATION AND
 GREENE STREET STREETScape IMPROVEMENTS
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
NCDOT grant	\$ 1,364,750	\$ 54,858	\$ 644,481	\$ 699,339
Miscellaneous	-	1,621	-	1,621
Investment earnings	-	373	701	1,074
Total revenues	<u>1,364,750</u>	<u>56,852</u>	<u>645,182</u>	<u>702,034</u>
Expenditures:				
Greene street bridge relocation				
Engineering cost	125,000	86,468	7,900	94,368
Land acquisition	87,390	74,431	-	74,431
Construction	1,084,200	8,916	922,166	931,082
Greene street streetscape improvements:				
Engineering cost	52,300	35,241	2,471	37,712
Construction	<u>414,700</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,763,590</u>	<u>205,056</u>	<u>932,537</u>	<u>1,137,593</u>
Excess of revenues over (under) expenditures	<u>(398,840)</u>	<u>(148,204)</u>	<u>(287,355)</u>	<u>(435,559)</u>
Other Financing Sources (Uses):				
Transfer from capital reserve	<u>398,840</u>	<u>398,840</u>	<u>-</u>	<u>398,840</u>
Total other financing sources (uses)	<u>398,840</u>	<u>398,840</u>	<u>-</u>	<u>398,840</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 250,636</u>	<u>\$ (287,355)</u>	<u>\$ (36,719)</u>

CITY OF GREENVILLE, NORTH CAROLINA

COMPUTERIZED TRAFFIC SIGNAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Interest earnings	\$ 430,000	\$ 447,326	\$ 3,723	\$ 451,049
NCDOT grant	600,000	600,000	-	600,000
Miscellaneous	-	900	-	900
Total revenues	<u>1,030,000</u>	<u>1,048,226</u>	<u>3,723</u>	<u>1,051,949</u>
Expenditures:				
Bond administration cost	47,285	42,590	-	42,590
Engineering cost	813,000	822,485	-	822,485
Construction	2,695,000	2,659,817	21,588	2,681,405
Traffic signal maintenance facility	<u>1,300,000</u>	<u>1,048,792</u>	<u>7,465</u>	<u>1,056,257</u>
Total expenditures	<u>4,855,285</u>	<u>4,573,684</u>	<u>29,053</u>	<u>4,602,737</u>
Excess of revenues over (under) expenditures	<u>(3,825,285)</u>	<u>(3,525,458)</u>	<u>(25,330)</u>	<u>(3,550,788)</u>
Other Financing Sources (Uses):				
Bonds issued	<u>3,825,285</u>	<u>3,790,969</u>	<u>-</u>	<u>3,790,969</u>
Total other financing sources (uses)	<u>3,825,285</u>	<u>3,790,969</u>	<u>-</u>	<u>3,790,969</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 265,511</u>	<u>\$ (25,330)</u>	<u>\$ 240,181</u>

CITY OF GREENVILLE, NORTH CAROLINA

RECREATION & PARKS AND PUBLIC WORKS FEMA PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Federal emergency mgmt. assistance	\$ 2,377,086	\$ 2,287,040	\$ 34,286	\$ 2,321,326
Recreation donations	146,840	283,181	67,875	351,056
Recreation & parks trust	250,000	250,000	-	250,000
Investment earnings	4,000	17,493	8,570	26,063
Other income	-	11,107	-	11,107
Total revenues	<u>2,777,926</u>	<u>2,848,821</u>	<u>110,731</u>	<u>2,959,552</u>
Expenditures:				
River park north engineering	78,000	3,000	-	3,000
River park north site improvement	20,000	15,000	-	15,000
River park north construction	1,034,880	886,364	214,419	1,100,783
River park north furnishings	192,966	67,078	184,045	251,123
River park north exhibits	384,960	-	446,706	446,706
Recreation & parks projects	900,659	1,256,677	(162)	1,256,515
Public works projects	<u>1,060,586</u>	<u>934,354</u>	<u>-</u>	<u>934,354</u>
Total expenditures	<u>3,672,051</u>	<u>3,162,473</u>	<u>845,008</u>	<u>4,007,481</u>
Excess of revenues over (under) expenditures	<u>(894,125)</u>	<u>(313,652)</u>	<u>(734,277)</u>	<u>(1,047,929)</u>
Other Financing Sources (Uses):				
Bonds issued	750,000	750,000	-	750,000
Transfer from General Fund	124,943	24,943	172,010	196,953
Appropriated fund balance	<u>19,182</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>894,125</u>	<u>774,943</u>	<u>172,010</u>	<u>946,953</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 461,291</u>	<u>\$ (562,267)</u>	<u>\$ (100,976)</u>

CITY OF GREENVILLE, NORTH CAROLINA

GREENWAY PHASE II

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Interest earnings	\$ -	\$ 599	\$ 1,274	\$ 1,873
Special Federal/State/Local grants	300,000	-	136,514	136,514
Total revenues	300,000	599	137,788	138,387
Expenditures:				
Construction	490,000	137,042	-	137,042
Total expenditures	490,000	137,042	-	137,042
Excess of revenues over (under) expenditures	(190,000)	(136,443)	137,788	1,345
Other Financing Sources (Uses):				
Transfer from Capital Reserve	190,000	190,000	-	190,000
Total other financing sources (uses)	190,000	190,000	-	190,000
Excess of revenues and other financing sources and over (under) expenditures and other financing uses	\$ -	\$ 53,557	\$ 137,788	\$ 191,345

CITY OF GREENVILLE, NORTH CAROLINA

OXFORD ROAD BRIDGE REPLACEMENT

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Federal emergency management assistance	\$ 192,247	\$ 190,837	\$ -	\$ 190,837
Interest earnings	-	254	1,296	1,550
Total revenues	192,247	191,091	1,296	192,387
Expenditures:				
Engineering	15,645	-	-	-
Construction	294,500	283,476	-	283,476
Total expenditures	310,145	283,476	-	283,476
Excess of revenues over (under) expenditures	(117,898)	(92,385)	1,296	(91,089)
Other Financing Sources (Uses):				
Transfer from Capital Reserve	117,898	117,898	-	117,898
Total other financing sources (uses)	117,898	117,898	-	117,898
Excess of revenues and other financing sources and over (under) expenditures and other financing uses	\$ -	\$ 25,513	\$ 1,296	\$ 26,809

CITY OF GREENVILLE, NORTH CAROLINA

FLOOD BUYOUT, RELOCATION, AND REPLACEMENT - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Federal emergency mgmt. assistance	\$ 42,672,934	\$ 28,067,369	\$ 8,129	\$ 28,075,498
State crisis housing assistance	10,012,152	2,822,376	-	2,822,376
NC flood appropriated funds	8,665,878	3,673,066	-	3,673,066
State tenant relocation funds	5,236,880	1,704,234	34,611	1,738,845
Investment earnings	-	10,904	1,176	12,080
Total revenues	<u>66,587,844</u>	<u>36,277,949</u>	<u>43,916</u>	<u>36,321,865</u>
Expenditures:				
Hazard mitigation phase I & II	42,672,934	28,069,170	-	28,069,170
State rehabilitation & relocation	10,012,152	2,801,048	-	2,801,048
NC flood appropriation - Rehabilitation	8,665,878	3,552,692	-	3,552,692
State tenant relocation assistance	<u>5,236,880</u>	<u>1,704,234</u>	<u>-</u>	<u>1,704,234</u>
Total expenditures	<u>66,587,844</u>	<u>36,127,144</u>	<u>-</u>	<u>36,127,144</u>
Excess of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 150,805</u>	<u>\$ 43,916</u>	<u>\$ 194,721</u>

CITY OF GREENVILLE, NORTH CAROLINA

2005 COPS - VARIOUS CITY CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project Authorization	Current Year	Total
Revenues:			
Restricted intergovernmental revenue	\$ 250,000	\$ -	\$ -
Interest earnings	150,000	72,581	72,581
Total revenues	400,000	72,581	72,581
Expenditures:			
Greenfield Terrace	399,131	343,899	343,899
Fire and rescue project	2,990,358	1,057,450	1,057,450
Guy Smith Stadium	900,000	730,308	730,308
SW Park Development	125,869	38,235	38,235
Carver Library	1,119,700	583,043	583,043
Bond administration cost	-	(106,981)	(106,981)
Total expenditures	5,535,058	2,645,954	2,645,954
Excess of revenues over (under) expenditures	(5,135,058)	(2,573,373)	(2,573,373)
Other Financing Sources (Uses):			
COPS issued	5,101,058	5,095,253	5,095,253
Transfer from other funds	34,000	-	-
Total other financing sources (uses)	5,135,058	5,095,253	5,095,253
Excess of revenues and other financing sources and over (under) expenditures and other financing uses	\$ -	\$ 2,521,880	\$ 2,521,880

CITY OF GREENVILLE, NORTH CAROLINA

CITY HALL FACILITY

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Other income	\$ -	\$ -	\$ 31,916	\$ 31,916
Interest earnings	-	5,129	181,175	186,304
Total revenues	-	5,129	181,175	218,220
Expenditures:				
Land and building acquisition	950,000	950,000	-	950,000
Design	570,000	432,209	91,362	523,571
Construction	8,202,945	-	3,160,376	3,160,376
Capital outlay	2,125,997	-	22,764	22,764
Bond administration cost	250,000	-	102,049	102,049
Total expenditures	12,098,942	1,382,209	3,376,551	4,758,760
Excess of revenues over (under) expenditures	(12,098,942)	(1,377,080)	(3,195,376)	(4,540,540)
Other Financing Sources (Uses):				
Bonds issued	425,000	425,000	-	425,000
COPS issued	10,723,942	-	10,889,747	10,889,747
Transfer from Capital Reserve	950,000	950,000	-	950,000
Total other financing sources (uses)	12,098,942	1,375,000	10,889,747	12,264,747
Excess of revenues and other financing sources and over (under) expenditures and other financing uses	\$ -	\$ (2,080)	\$ 7,694,371	\$ 7,724,207

ENTERPRISE FUNDS

The Enterprise Funds are established to account for enterprise operations that are financed and operated in a manner similar to private business. The intent is that the cost of providing goods and services to the general public will be recovered primarily through user charges.

ELECTRIC FUND

The Electric Fund is established to account for the enterprise operation of providing power to the residents of the City.

WATER FUND

The Water Fund is established to account for the enterprise operation of providing water to the residents of the City.

SEWER FUND

The Sewer Fund is established to account for the enterprise operation of providing sewer services to the residents of the City.

GAS FUND

The Gas Fund is established to account for the enterprise operation of providing natural gas to the residents of the City.

AQUATICS AND FITNESS CENTER FUND

The Aquatics and Fitness Center Fund is established to account for the operations of the athletic center located at the Eastern Carolina Vocational Center on Station Road.

PUBLIC TRANSPORTATION FUND

The Public Transportation Fund is established to account for the user charges, fees, federal contributions, and all operating costs associated with the operation of the transit system of the City.

BRADFORD CREEK GOLF COURSE FUND

The Bradford Creek Golf Course Fund is established to account for the operations of the golf course located on Old Pactolus Road.

STORMWATER UTILITY FUND

The Stormwater Utility Fund is established to account for the operations of the Stormwater Utility operated through the Public Works Department of the City.

CITY OF GREENVILLE, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -
ELECTRIC OPERATING FUND - MAJOR ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	2005			2004
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Operating Revenues:				
Rates and charges	\$ 140,675,000	\$ 136,339,149	\$ (4,335,851)	\$ 135,549,138
Fees and charges	550,000	642,199	92,199	520,700
U.G. temp service charges	470,000	441,931	(28,069)	436,536
Miscellaneous	956,944	659,903	(297,041)	474,518
	<u>142,651,944</u>	<u>138,083,182</u>	<u>(4,568,762)</u>	<u>136,980,892</u>
Non-Operating Revenues:				
Interest on temporary investments	775,000	797,232	22,232	502,255
FEMA/Insurance reimbursements	-	-	-	145,442
Miscellaneous	-	329,439	329,439	75,902
	<u>775,000</u>	<u>1,126,671</u>	<u>351,671</u>	<u>723,599</u>
Total revenues	<u>143,426,944</u>	<u>139,209,853</u>	<u>(4,217,091)</u>	<u>137,704,491</u>
Expenditures				
Non-Department:				
Personnel	192,780	188,873	3,907	193,532
Operations	6,041,238	5,497,681	543,557	5,195,104
Capital	68,774	15,753	53,021	34,615
	<u>6,302,792</u>	<u>5,702,307</u>	<u>600,485</u>	<u>5,423,251</u>
Governing Body Department:				
Personnel	276,571	223,556	53,015	266,926
Operations	262,266	127,839	134,427	166,185
	<u>538,837</u>	<u>351,395</u>	<u>187,442</u>	<u>433,111</u>
Finance Department:				
Personnel	100,756	98,999	1,757	92,762
Operations	34,955	25,649	9,306	22,557
	<u>135,711</u>	<u>124,648</u>	<u>11,063</u>	<u>115,319</u>
Information Technology Department:				
Personnel	299,852	281,713	18,139	246,830
Operations	649,226	517,047	132,179	656,985
Capital	241,936	176,103	65,833	314,719
	<u>1,191,014</u>	<u>974,863</u>	<u>216,151</u>	<u>1,218,534</u>
Customer Relations Department:				
Personnel	1,143,571	1,116,233	27,338	1,065,485
Operations	339,447	274,862	64,585	161,649
Capital	17,600	-	17,600	-
	<u>1,500,618</u>	<u>1,391,095</u>	<u>109,523</u>	<u>1,227,134</u>
Support Services Department:				
Personnel	1,975,850	1,909,224	66,626	1,754,315
Operations	2,595,552	2,357,289	238,263	2,169,915
Capital	67,520	67,467	53	80,873
	<u>4,638,922</u>	<u>4,333,980</u>	<u>304,942</u>	<u>4,005,103</u>

CITY OF GREENVILLE, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -
ELECTRIC OPERATING FUND - MAJOR ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	2005			2004
	Budget	Actual	Variance Positive (Negative)	Actual
Utility Locating Services:				
Personnel	63,516	62,348	1,168	63,394
Operations	13,949	12,570	1,379	12,059
	<u>77,465</u>	<u>74,918</u>	<u>2,547</u>	<u>75,453</u>
Electric Department:				
Personnel	3,264,755	3,200,790	63,965	3,336,849
Operations	119,430,342	115,927,049	3,503,293	113,459,085
Capital	6,346,488	6,149,278	197,210	5,387,030
	<u>129,041,585</u>	<u>125,277,117</u>	<u>3,764,468</u>	<u>122,182,964</u>
 Total expenditures	 <u>143,426,944</u>	 <u>138,230,323</u>	 <u>5,196,621</u>	 <u>134,680,869</u>
 Excess of revenues over (under) expenditures	 <u>-</u>	 <u>979,530</u>	 <u>979,530</u>	 <u>3,023,622</u>
 Other Financing Sources (Uses):				
Intra-fund transfers	-	-	-	(674,880)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(674,880)</u>
 Revenues and other financing sources over (under) expenditures and other financing uses	 <u>\$ -</u>	 <u>\$ 979,530</u>	 <u>\$ 979,530</u>	 <u>\$ 2,348,742</u>
 Reconciliation to Full Accrual Basis From Modified Accrual Basis:				
Revenues over (under) expenditures		\$ 979,530		\$ 2,348,742
Budgetary appropriations - capital		6,408,601		5,817,237
Budgetary appropriations - debt principal		1,234,748		1,235,288
Depreciation		(6,837,344)		(6,732,783)
Changes in bond interest accrual		14,947		31,469
Amortization of bond premium/discount		(16,456)		(16,232)
Capitalization of bond interest		-		74,879
Intra-fund transfers		-		674,880
Changes in unrealized gains/losses on investments		(30,730)		(259,148)
Revenue recognized in Capital Projects		<u>151,159</u>		<u>71,786</u>
		<u>924,925</u>		<u>897,376</u>
 Change in net assets - GAAP Basis		 <u>\$ 1,904,455</u>		 <u>\$ 3,246,118</u>

CITY OF GREENVILLE, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -
WATER OPERATING FUND - MAJOR ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	2005			2004
	Budget	Actual	Variance Positive (Negative)	Actual
Expenditures:				
Operating Revenues:				
Rates and charges	\$ 10,011,000	\$ 9,620,951	\$ (390,049)	\$ 9,253,692
Fees and charges	435,100	475,413	40,313	416,585
Miscellaneous	32,600	26,767	(5,833)	49,527
	<u>10,478,700</u>	<u>10,123,131</u>	<u>(355,569)</u>	<u>9,719,804</u>
Non-Operating Revenues:				
Interest on temporary investments	68,200	82,047	13,847	102,524
FEMA/Insurance reimbursements	-	-	-	(8,750)
Miscellaneous	-	23,704	23,704	207
	<u>68,200</u>	<u>105,751</u>	<u>37,551</u>	<u>93,981</u>
Total revenues	<u>10,546,900</u>	<u>10,228,882</u>	<u>(318,018)</u>	<u>9,813,785</u>
Expenditures				
Non-Department:				
Personnel	109,865	106,054	3,811	101,199
Operations	4,143,719	4,084,173	59,546	4,069,659
Capital	26,006	72,512	(46,506)	2,387
	<u>4,279,590</u>	<u>4,262,739</u>	<u>16,851</u>	<u>4,173,245</u>
Governing Body Department:				
Personnel	144,552	121,146	23,406	140,825
Operations	1,116,002	1,387,498	(271,496)	821,043
	<u>1,260,554</u>	<u>1,508,644</u>	<u>(248,090)</u>	<u>961,868</u>
Finance Department:				
Personnel	100,756	98,999	1,757	92,762
Operations	34,955	25,308	9,647	22,525
	<u>135,711</u>	<u>124,307</u>	<u>11,404</u>	<u>115,287</u>
Information Technology Department:				
Personnel	299,852	282,151	17,701	246,982
Operations	40,576	33,564	7,012	41,078
Capital	15,121	11,006	4,115	25,784
	<u>355,549</u>	<u>326,721</u>	<u>28,828</u>	<u>313,844</u>
Customer Relations Department:				
Personnel	212,744	204,414	8,330	196,913
Operations	31,692	47,242	(15,550)	32,053
Capital	1,100	-	1,100	-
	<u>245,536</u>	<u>251,656</u>	<u>(6,120)</u>	<u>228,966</u>
Support Services Department:				
Personnel	422,210	420,490	1,720	391,502
Operations	284,420	254,042	30,378	227,199
Capital	4,220	4,217	3	5,055
	<u>710,850</u>	<u>678,749</u>	<u>32,101</u>	<u>623,756</u>

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -
WATER OPERATING FUND - MAJOR ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	2005			2004
	Budget	Actual	Variance Positive (Negative)	Actual
Expenditures:				
Utility Locating Services:				
Personnel	63,516	62,185	1,331	63,392
Operations	13,949	10,844	3,105	12,059
	<u>77,465</u>	<u>73,029</u>	<u>4,436</u>	<u>75,451</u>
Water Department:				
Personnel	2,388,287	2,266,103	122,184	2,082,284
Operations	1,902,939	1,874,488	28,451	1,666,738
Capital	887,008	883,228	3,780	833,204
	<u>5,178,234</u>	<u>5,023,819</u>	<u>154,415</u>	<u>4,582,226</u>
Total expenditures	<u>12,243,489</u>	<u>12,249,664</u>	<u>(6,175)</u>	<u>11,074,643</u>
Excess of revenues over (under) expenditures	<u>(1,696,589)</u>	<u>(2,020,782)</u>	<u>(324,193)</u>	<u>(1,260,858)</u>
Other Financing Sources (Uses):				
Contractor's Contributions	-	1,061,144	1,061,144	115,882
Appropriated fund balance	1,696,589	-	(1,696,589)	-
Intra-fund transfers	<u>-</u>	<u>(20,429)</u>	<u>(20,429)</u>	<u>(52,820)</u>
Total other financing sources (uses)	<u>1,696,589</u>	<u>1,040,715</u>	<u>(655,874)</u>	<u>63,062</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (980,067)</u>	<u>\$ (980,067)</u>	<u>\$ (1,197,796)</u>
Reconciliation to Full Accrual Basis From Modified Accrual Basis:				
Revenues over (under) expenditures		\$ (980,067)		\$ (1,197,796)
Budgetary appropriations - capital		970,963		866,430
Budgetary appropriations - debt principal		1,632,986		1,546,535
Depreciation		(2,698,370)		(2,606,781)
Changes in bond interest accrual		20,443		165,553
Amortization of bond premium/discount		(10,751)		(10,856)
Capitalization of bond interest		32,056		1,095,023
Intra-fund transfers		20,429		52,820
Changes in unrealized gains/losses on investments		35,741		(62,478)
Revenue recognized in Capital Projects		223,422		678,799
Revenue recognized in Capital Reserve		<u>4,537</u>		<u>6,062</u>
		<u>231,456</u>		<u>1,731,107</u>
Change in Net Assets - GAAP Basis		<u>\$ (748,611)</u>		<u>\$ 533,311</u>

CITY OF GREENVILLE, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -
SEWER OPERATING FUND - MAJOR ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	2005			2004
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Operating Revenues:				
Rates and charges	\$ 10,969,920	\$ 10,882,171	\$ (87,749)	\$ 10,157,629
Fees and charges	387,500	440,702	53,202	1,328,052
Miscellaneous	29,000	16,765	(12,235)	44,822
	<u>11,386,420</u>	<u>11,339,638</u>	<u>(46,782)</u>	<u>11,530,503</u>
Non-Operating Revenues:				
Interest on temporary investments	167,825	171,704	3,879	105,136
Pitt County Dev. Comm.	430,438	430,438	-	430,438
FEMA/Insurance reimbursements	-	-	-	36,786
Miscellaneous	-	19,045	19,045	99,492
	<u>598,263</u>	<u>621,187</u>	<u>22,924</u>	<u>671,852</u>
Total revenues	<u>11,984,683</u>	<u>11,960,825</u>	<u>(23,858)</u>	<u>12,202,355</u>
Expenditures				
Personnel:				
Personnel	37,960	34,149	3,811	37,233
Operations	4,721,032	4,747,212	(26,180)	4,597,996
Capital	24,818	15,512	9,306	2,387
	<u>4,783,810</u>	<u>4,796,873</u>	<u>(13,063)</u>	<u>4,637,616</u>
Governing Body Department:				
Personnel	144,552	121,147	23,405	140,825
Operations	171,002	101,715	69,287	100,418
	<u>315,554</u>	<u>222,862</u>	<u>92,692</u>	<u>241,243</u>
Finance Department:				
Personnel	100,756	98,999	1,757	92,761
Operations	34,955	25,307	9,648	22,525
	<u>135,711</u>	<u>124,306</u>	<u>11,405</u>	<u>115,286</u>
Information Technology Department:				
Personnel	299,852	281,814	18,038	246,603
Operations	40,576	33,448	7,128	41,009
Capital	15,121	11,006	4,115	25,784
	<u>355,549</u>	<u>326,268</u>	<u>29,281</u>	<u>313,396</u>
Customer Relations Department:				
Personnel	212,744	204,411	8,333	196,909
Operations	31,692	47,036	(15,344)	27,555
Capital	1,100	-	1,100	-
	<u>245,536</u>	<u>251,447</u>	<u>(5,911)</u>	<u>224,464</u>
Support Services Department:				
Personnel	88,881	118,341	(29,460)	104,847
Operations	235,655	243,343	(7,688)	204,219
Capital	4,220	4,217	3	5,055
	<u>328,756</u>	<u>365,901</u>	<u>(37,145)</u>	<u>314,121</u>

CITY OF GREENVILLE, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -
SEWER OPERATING FUND - MAJOR ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	2005			2004
	Budget	Actual	Variance Positive (Negative)	Actual
Utility Locating Services:				
Personnel	63,516	62,186	1,330	63,393
Operations	13,949	10,844	3,105	12,059
	<u>77,465</u>	<u>73,030</u>	<u>4,435</u>	<u>75,452</u>
Sewer Department:				
Personnel	2,529,112	2,267,528	261,584	2,153,624
Operations	2,333,419	2,041,065	292,354	1,786,299
Capital	879,771	823,945	55,826	864,414
	<u>5,742,302</u>	<u>5,132,538</u>	<u>609,764</u>	<u>4,804,337</u>
Total expenditures	<u>11,984,683</u>	<u>11,293,225</u>	<u>691,458</u>	<u>10,725,915</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>667,600</u>	<u>667,600</u>	<u>1,476,440</u>
Other Financing Sources (Uses):				
Contractor's Contributions	-	2,050,568	2,050,568	256,597
Intra-fund transfers	-	-	-	(578,423)
Total other financing sources (uses)	-	2,050,568	2,050,568	(321,826)
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 2,718,168</u>	<u>\$ 2,718,168</u>	<u>\$ 1,154,614</u>
Reconciliation to Full Accrual Basis From Modified Accrual Basis:				
Revenues over (under) expenditures		\$ 2,718,168		\$ 1,154,614
Budgetary appropriations - capital		854,680		897,640
Budgetary appropriations - debt principal		2,627,967		2,511,220
Depreciation		(3,189,386)		(3,082,845)
Changes in bond interest accrual		(228,816)		(14,469)
Amortization of bond premium/discount		(40,962)		(40,984)
Capitalization of bond interest		338,338		222,289
Intra-fund Transfers		-		578,423
Changes in unrealized gains/losses on investments		15,224		(82,640)
Revenue recognized in Capital Projects		502,373		319,724
Revenue recognized in Capital Reserve		158		31,203
		<u>879,576</u>		<u>1,339,561</u>
Change in Net Assets - GAAP Basis		<u>\$ 3,597,744</u>		<u>\$ 2,494,175</u>

CITY OF GREENVILLE, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -
 GAS OPERATING FUND - MAJOR ENTERPRISE FUND
 FOR THE YEAR ENDED JUNE 30, 2005
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	2005		Variance	2004
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Operating Revenues:				
Rates and charges	\$ 30,800,000	\$ 30,611,326	\$ (188,674)	\$ 24,058,443
Fees and charges	172,000	169,409	(2,591)	149,525
Miscellaneous	32,500	16,924	(15,576)	86,977
	<u>31,004,500</u>	<u>30,797,659</u>	<u>(206,841)</u>	<u>24,294,945</u>
Non-Operating Revenues:				
Interest on temporary investments	37,000	44,985	7,985	40,302
Pitt County Dev. Comm.	35,000	35,000	-	35,000
FEMA/Insurance reimbursements	-	-	-	(1,677)
Miscellaneous	-	45,235	45,235	1,262
	<u>72,000</u>	<u>125,220</u>	<u>53,220</u>	<u>74,887</u>
Total revenues	<u>31,076,500</u>	<u>30,922,879</u>	<u>(153,621)</u>	<u>24,369,832</u>
Expenditures				
Non-Department:				
Personnel	59,322	55,559	3,763	54,916
Operations	2,187,572	2,207,464	(19,892)	2,094,084
Capital	22,442	15,566	6,876	4,535
	<u>2,269,336</u>	<u>2,278,589</u>	<u>(9,253)</u>	<u>2,153,535</u>
Governing Body Department:				
Personnel	153,353	127,973	25,380	149,231
Operations	166,143	85,089	81,054	111,853
	<u>319,496</u>	<u>213,062</u>	<u>106,434</u>	<u>261,084</u>
Finance Department:				
Personnel	100,756	98,999	1,757	92,761
Operations	34,955	25,308	9,647	22,531
	<u>135,711</u>	<u>124,307</u>	<u>11,404</u>	<u>115,292</u>
Information Technology Department:				
Personnel	299,852	283,389	16,463	247,641
Operations	81,154	65,762	15,392	81,752
Capital	30,242	22,013	8,229	45,046
	<u>411,248</u>	<u>371,164</u>	<u>40,084</u>	<u>374,439</u>
Customer Relations Department:				
Personnel	274,799	265,198	9,601	254,815
Operations	52,209	61,264	(9,055)	30,862
Capital	2,200	-	2,200	-
	<u>329,208</u>	<u>326,462</u>	<u>2,746</u>	<u>285,677</u>
Support Services Department:				
Personnel	349,407	358,179	(8,772)	323,166
Operations	406,473	398,747	7,726	372,088
Capital	8,440	8,433	7	10,109
	<u>764,320</u>	<u>765,359</u>	<u>(1,039)</u>	<u>705,363</u>
Utility Locating Services:				
Personnel	63,516	62,195	1,321	63,391
Operations	13,949	11,057	2,892	12,058
	<u>77,465</u>	<u>73,252</u>	<u>4,213</u>	<u>75,449</u>
Gas Department:				
Personnel	1,348,072	1,283,976	64,096	1,249,852
Operations	24,521,723	23,287,286	1,234,437	18,143,725
Capital	1,153,437	1,045,105	108,332	1,076,234
	<u>27,023,232</u>	<u>25,616,367</u>	<u>1,406,865</u>	<u>20,469,811</u>
Total expenditures	<u>31,330,016</u>	<u>29,768,562</u>	<u>1,561,454</u>	<u>24,440,650</u>
Excess of revenues over (under) expenditures	<u>(253,516)</u>	<u>1,154,317</u>	<u>1,407,833</u>	<u>(70,818)</u>

CITY OF GREENVILLE, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES, BUDGET AND ACTUAL (Non-GAAP) -
GAS OPERATING FUND - MAJOR ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	2005		2004
	Budget	Actual	Variance Positive (Negative)
Other Financing Sources (Uses):			
Appropriated fund balance	253,516	-	(253,516)
Intra-fund transfers	-	-	(106,875)
Total other financing sources (uses)	253,516	-	(253,516)
Revenues and other financing sources over (under)			
expenditures and other financing uses	\$ -	\$ 1,154,317	\$ 1,154,317
			\$ (177,693)
Reconciliation to Full Accrual Basis From Modified Accrual Basis:			
Revenues over (under) expenditures			
Budgetary appropriations - capital		1,091,117	1,135,924
Budgetary appropriations - debt principal		783,212	741,619
Depreciation		(1,334,527)	(1,142,081)
Changes in bond interest accrual		9,309	1,457
Amortization of bond premium/discount		(5,570)	(5,667)
Capitalization of bond interest		-	205,149
Intra-fund transfers		-	106,875
Changes in unrealized gains/losses on investments		(8,505)	(27,476)
Changes in gains/losses on forward contracts		11,100	(37,900)
Revenue recognized in Capital Projects		41,076	29,263
Revenue recognized in Capital Reserve		1,020	719
Change in net assets - GAAP basis	\$	1,742,549	\$ 830,189

CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR ENTERPRISE FUNDS
 COMBINING STATEMENT OF NET ASSETS
 JUNE 30, 2005

	Aquatic and Fitness Center Fund	Public Transportation Fund	Bradford Creek Golf Course Fund	Stormwater Utility Fund	Total
Assets:					
Current Assets:					
Cash and cash equivalents	\$ 10,996	\$ -	\$ 86,789	1,799,207	\$ 1,896,992
Accounts receivable, net	20,314	2,861	-	-	23,175
Due from other governments	873	616,443	1,195	176,028	794,539
Due from other funds	-	-	-	257,372	257,372
Inventories	-	-	14,197	-	14,197
Prepaid items and deposits	-	-	862	-	862
Total current assets	<u>32,183</u>	<u>619,304</u>	<u>103,043</u>	<u>2,232,607</u>	<u>2,987,137</u>
Noncurrent Assets:					
Capital assets, net	<u>35,850</u>	<u>1,598,483</u>	<u>3,273,715</u>	<u>324,096</u>	<u>5,232,144</u>
Total noncurrent assets	<u>35,850</u>	<u>1,598,483</u>	<u>3,273,715</u>	<u>324,096</u>	<u>5,232,144</u>
Total assets	<u>\$ 68,033</u>	<u>\$ 2,217,787</u>	<u>\$ 3,376,758</u>	<u>\$ 2,556,703</u>	<u>\$ 8,219,281</u>
Liabilities:					
Current Liabilities:					
Accounts payable and accrued liabilities	\$ 34,456	\$ 37,758	\$ 43,429	\$ 75,436	\$ 191,079
Due to other funds	27,420	1,321	177,561	84,318	290,620
Deferred revenue	-	-	-	431,722	431,722
Compensated absences payable	17,444	27,875	24,263	-	69,582
Current maturities of long-term debt	-	11,748	156,360	57,458	225,566
Total current liabilities	<u>79,320</u>	<u>78,702</u>	<u>401,613</u>	<u>648,934</u>	<u>1,208,569</u>
Noncurrent Liabilities					
Noncurrent portion of long-term debt	<u>-</u>	<u>-</u>	<u>1,024,833</u>	<u>156,120</u>	<u>1,180,953</u>
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>1,024,833</u>	<u>156,120</u>	<u>1,180,953</u>
Total liabilities	<u>79,320</u>	<u>78,702</u>	<u>1,426,446</u>	<u>805,054</u>	<u>2,389,522</u>
Net Assets:					
Investment in capital assets, net of related debt	35,850	1,586,735	2,092,522	110,518	3,825,625
Unrestricted net assets	<u>(47,137)</u>	<u>552,350</u>	<u>(142,210)</u>	<u>1,641,131</u>	<u>2,004,134</u>
Total net assets	<u>\$ (11,287)</u>	<u>\$ 2,139,085</u>	<u>\$ 1,950,312</u>	<u>\$ 1,751,649</u>	<u>\$ 5,829,759</u>

CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2005

	Aquatic and Fitness Center Fund	Public Transportation Fund	Bradford Creek Golf Course Fund	Stormwater Utility Fund	Total
Operating Revenues:					
Charges for services	\$ 523,252	\$ 113,081	\$ 897,180	\$ 2,668,931	\$ 4,202,444
Other operating revenues	-	549	(11,531)	-	(10,982)
Total operating revenue	<u>523,252</u>	<u>113,630</u>	<u>885,649</u>	<u>2,668,931</u>	<u>4,191,462</u>
Operating Expenses:					
Administrative and general	-	39,527	-	-	39,527
Operations and maintenance	513,542	747,780	705,614	1,508,055	3,474,991
Depreciation and amortization	23,402	212,432	80,031	33,064	348,929
Total operating expenses	<u>536,944</u>	<u>999,739</u>	<u>785,645</u>	<u>1,541,119</u>	<u>3,863,447</u>
Operating income (loss)	<u>(13,692)</u>	<u>(886,109)</u>	<u>100,004</u>	<u>1,127,812</u>	<u>328,015</u>
Nonoperating Revenues (Expenses):					
Investment earnings	59	1,332	520	9,401	11,312
Restricted intergovernmental revenues	-	907,569	-	-	907,569
Interest expense	-	(771)	(39,247)	(5,195)	(45,213)
Total nonoperating revenues (expenses)	<u>59</u>	<u>908,130</u>	<u>(38,727)</u>	<u>4,206</u>	<u>873,668</u>
Income (loss) before transfers and contributions	<u>(13,633)</u>	<u>22,021</u>	<u>61,277</u>	<u>1,132,018</u>	<u>1,201,683</u>
Transfers from General Fund	<u>-</u>	<u>202,439</u>	<u>-</u>	<u>235,699</u>	<u>438,138</u>
Change in net assets	<u>(13,633)</u>	<u>224,460</u>	<u>61,277</u>	<u>1,367,717</u>	<u>1,639,821</u>
Fund balance, beginning of year	<u>2,346</u>	<u>1,914,625</u>	<u>1,889,035</u>	<u>383,932</u>	<u>4,189,938</u>
Fund balance, end of year	<u>\$ (11,287)</u>	<u>\$ 2,139,085</u>	<u>\$ 1,950,312</u>	<u>\$ 1,751,649</u>	<u>\$ 5,829,759</u>

CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2005

	Aquatic and Fitness Center Fund	Public Transportation Fund	Bradford Creek Golf Course Fund	Stormwater Utility Fund	Total
Operating Activities:					
Cash received from customers	\$ 524,242	\$ 122,610	\$ 897,180	\$ 3,054,653	\$ 4,598,685
Cash paid to vendors	(156,485)	(251,967)	(322,905)	(352,921)	(1,084,278)
Cash paid to employees	(353,462)	(512,704)	(380,596)	(1,125,846)	(2,372,608)
Net cash provided by (used) operating activities	14,295	(642,061)	193,679	1,575,886	1,141,799
Noncapital Financing Activities:					
Transfer from other funds	-	202,439	-	235,699	438,138
Change in due from other funds	(47)	(8,659)	9	(428,852)	(437,549)
Net cash provided by (used) noncapital financing activities	(47)	193,780	9	(193,153)	589
Capital and Related Financing Activities:					
Proceeds from issuance of long-term debt	-	-	-	145,000	145,000
Repayment of principal of long-term debt	-	(11,280)	-	(57,152)	(68,432)
Capital grants	-	435,764	(156,580)	-	279,184
Interest paid	-	(771)	(39,247)	(5,195)	(45,213)
Acquisition and construction of capital assets	(3,510)	(483,369)	-	(168,198)	(655,077)
Net cash provided by (used) capital and related financing activities	(3,510)	(59,656)	(195,827)	(85,545)	(344,538)
Investing Activities:					
Interest received on investments	59	1,332	520	9,401	11,312
Net cash provided by (used) in investing activities	59	1,332	520	9,401	11,312
Net increase in cash and cash equivalents	10,797	(506,605)	(1,619)	1,306,589	809,162
Cash and Cash Equivalents/Investments:					
Beginning of year	199	506,605	88,408	492,618	1,087,830
End of year	\$ 10,996	\$ -	\$ 86,789	\$ 1,799,207	\$ 1,896,992
Reconciliation of Operating Income (loss) to Net Cash Provided by (used in) Operating Activities:					
Operating income (loss)	\$ (13,692)	\$ (886,109)	\$ 100,004	\$ 1,127,812	\$ 328,015
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	23,402	212,432	80,031	33,064	348,929
Miscellaneous income (expense) adjustments	991	21,393	11,531	-	33,915
Change in Assets and Liabilities:					
Accounts receivable	(1)	8,980	-	379,805	388,784
Inventory	-	-	(5)	-	(5)
Prepaid expense and deposits	-	-	(612)	-	(612)
Accounts payable and accrued expenses	7,299	79	(73)	29,288	36,593
Customer deposits	-	-	-	(46,000)	(46,000)
Deferred revenues	-	-	-	51,917	51,917
Compensated absences	(3,704)	1,164	2,803	-	263
Net cash provided by (used in) operating activities	\$ 14,295	\$ (642,061)	\$ 193,679	\$ 1,575,886	\$ 1,141,799

CITY OF GREENVILLE, NORTH CAROLINA

AQUATICS AND FITNESS CENTER ENTERPRISE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2005
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	2005			2004
	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Charges for services	\$ 505,618	\$ 523,252	\$ 17,634	\$ 534,304
Investment earnings	-	59	59	-
Total operating revenue	<u>505,618</u>	<u>523,311</u>	<u>17,693</u>	<u>534,304</u>
Expenditures:				
Operations and maintenance	490,584	513,542	(22,958)	523,894
Capital outlay	17,000	3,510	13,490	-
Total operating expenses	<u>507,584</u>	<u>517,052</u>	<u>(9,468)</u>	<u>523,894</u>
Revenues over (under) expenditures	(1,966)	6,259	8,225	10,410
Other Financing Sources (Uses):				
Appropriated fund balance	<u>1,966</u>	<u>-</u>	<u>(1,966)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>6,259</u>	<u>\$ 6,259</u>	<u>\$ 10,410</u>
Reconciliation From Budgetary Basis to Full Accrual Basis:				
Depreciation		(23,402)		
Capitalized expenditures		<u>3,510</u>		
Change in net assets - GAAP basis		<u>\$ (13,633)</u>		

CITY OF GREENVILLE, NORTH CAROLINA

PUBLIC TRANSPORTATION ENTERPRISE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2005
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	2005			2004
	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Charges for services	\$ 90,700	\$ 113,081	\$ 22,381	\$ 114,860
Public transportation planning and operating grants	1,106,180	907,569	(198,611)	569,464
Investment earnings	-	1,332	1,332	541
Other operating revenues	50	549	499	122
Total operating revenue	<u>1,196,930</u>	<u>1,022,531</u>	<u>(174,399)</u>	<u>684,987</u>
Expenditures:				
Administrative and general	22,267	39,527	(17,260)	11,993
Operations and maintenance	596,884	747,780	(150,896)	681,426
Capital outlay	787,015	483,368	303,647	125,000
Retirement of long-term debt	-	11,280	(11,280)	11,000
Interest expense	380	771	(391)	599
Total operating expenses	<u>1,406,546</u>	<u>1,282,726</u>	<u>123,820</u>	<u>830,018</u>
Revenues over (under) expenditures	<u>(209,616)</u>	<u>(260,195)</u>	<u>(50,579)</u>	<u>(145,031)</u>
Other Financing Sources (Uses):				
Transfers from General Fund	239,161	202,439	(36,722)	99,301
Contingency	(29,545)	-	29,545	-
Total other financing sources (uses)	<u>209,616</u>	<u>202,439</u>	<u>(7,177)</u>	<u>99,301</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(57,756)</u>	<u>\$ (57,756)</u>	<u>\$ (45,730)</u>
Reconciliation From Budgetary Basis to Full Accrual Basis:				
Depreciation		(212,432)		
Capitalized expenditures		483,368		
Retirement of long-term debt		<u>11,280</u>		
Change in net assets - GAAP basis		<u>\$ 224,460</u>		

CITY OF GREENVILLE, NORTH CAROLINA

BRADFORD CREEK GOLF COURSE ENTERPRISE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	2005			2004
	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Charges for services	\$ 848,970	\$ 897,180	\$ 48,210	\$ 848,150
Investment earnings	-	520	520	108
Other operating revenues	-	(11,531)	(11,531)	-
Total operating revenue	<u>848,970</u>	<u>886,169</u>	<u>37,199</u>	<u>848,258</u>
Expenditures:				
Operations and maintenance	671,655	705,614	(33,959)	681,500
Retirement of long-term debt	146,087	156,580	(10,493)	156,580
Interest expense	<u>38,603</u>	<u>39,247</u>	<u>(644)</u>	<u>21,954</u>
Total operating expenses	<u>856,345</u>	<u>901,441</u>	<u>(45,096)</u>	<u>860,034</u>
Revenues Over (Under) Expenditures	(7,375)	(15,272)	(7,897)	(11,776)
Other Financing Sources (Uses):				
Appropriated fund balance	<u>7,375</u>	-	<u>(7,375)</u>	-
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(15,272)</u>	<u>\$ (15,272)</u>	<u>\$ (11,776)</u>
Reconciliation From Budgetary Basis to Full Accrual Basis:				
Depreciation		(80,031)		
Retirement of long-term debt		<u>156,580</u>		
Change in net assets - GAAP basis		<u>\$ 61,277</u>		

CITY OF GREENVILLE, NORTH CAROLINA

STORMWATER ENTERPRISE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2005
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	2005		Variance	2004
	Final Budget	Actual	Positive (Negative)	Actual
Revenues:				
Charges for services	\$ 2,470,000	\$ 2,668,931	\$ 198,931	\$ -
Investment earnings	-	9,401	9,401	872
Total operating revenue	<u>2,470,000</u>	<u>2,678,332</u>	<u>208,332</u>	<u>872</u>
Expenditures:				
Operations and maintenance	1,573,019	1,508,055	64,964	1,268,468
Capital outlay	762,000	168,198	593,802	-
Retirement of long-term debt	50,682	57,152	(6,470)	-
Interest expense	5,883	5,195	688	2,079
Total operating expenses	<u>2,391,584</u>	<u>1,738,600</u>	<u>652,984</u>	<u>1,270,547</u>
Revenues over (under) expenditures	<u>78,416</u>	<u>939,732</u>	<u>861,316</u>	<u>(1,269,675)</u>
Other Financing Sources (Uses):				
Long term debt issued	-	145,000	145,000	-
Transfers from General Fund	235,699	235,699	-	235,699
Transfer to other funds	-	-	-	(473,135)
Contingency	(314,115)	-	314,115	-
Total other financing sources (uses)	<u>(78,416)</u>	<u>380,699</u>	<u>459,115</u>	<u>(237,436)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>1,320,431</u>	<u>\$ 1,320,431</u>	<u>\$ (1,507,111)</u>
Reconciliation From Budgetary Basis to Full Accrual Basis:				
Depreciation		(33,064)		
Capitalized expenditures		168,198		
Long-term debt issued		(145,000)		
Retirement of long-term debt		57,152		
Change in net assets - GAAP basis		<u>\$ 1,367,717</u>		

DEBT SERVICE FUND

DEBT SERVICE FUND

The Debt Service Fund accounts for the payment of the City's debt.

CITY OF GREENVILLE, NORTH CAROLINA

NONMAJOR DEBT SERVICE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:				
Other taxes	\$ 538,615	\$ 538,615	\$ 547,684	\$ 9,069
Investment earnings	-	-	9,448	9,448
Total revenues	<u>538,615</u>	<u>538,615</u>	<u>557,132</u>	<u>18,517</u>
Expenditures:				
Current:				
Principal retirement	3,191,310	3,475,515	3,611,981	(136,466)
Interest and fees	<u>1,682,585</u>	<u>1,675,920</u>	<u>1,697,571</u>	<u>(21,651)</u>
Total operating expenses	<u>4,873,895</u>	<u>5,151,435</u>	<u>5,309,552</u>	<u>(158,117)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,335,280)</u>	<u>(4,612,820)</u>	<u>(4,752,420)</u>	<u>(139,600)</u>
Other Financing Sources (Uses):				
Transfers from other funds	4,335,280	5,399,327	5,649,938	250,611
Contingency	-	<u>(786,507)</u>	-	<u>786,507</u>
Total nonoperating revenue (expenses)	<u>4,335,280</u>	<u>4,612,820</u>	<u>5,649,938</u>	<u>1,037,118</u>
Change in fund balances	<u>\$ -</u>	<u>\$ -</u>	897,518	<u>\$ 897,518</u>
Fund balance, beginning of year			<u>415,690</u>	
Fund balance, end of year			<u>\$ 1,313,208</u>	

CITY OF GREENVILLE, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2005

<u>Fiscal Year</u>	<u>Balance 06/30/04</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Balance 06/30/05</u>
2005-2004		\$ 21,342,133	\$ 20,592,449	\$ 749,684
2004-2003	\$ 754,502	-	546,315	208,187
2003-2002	237,579	-	80,256	157,323
2002-2001	140,075	-	30,972	109,103
2001-2000	106,679	-	13,809	92,870
2000-1999	108,481	-	11,979	96,502
1999-1998	84,006	-	6,979	77,027
1998-1997	62,404	-	5,688	56,716
1997-1996	50,189	-	3,823	46,366
1996-1994	46,341	-	1,800	44,541
1995-1994	<u>45,151</u>	<u>-</u>	<u>45,151</u>	<u>-</u>
	<u>\$ 1,635,407</u>	<u>\$ 21,342,133</u>	<u>\$ 21,339,221</u>	1,638,319

Less: Allowance for uncollectible accounts
General Fund

(794,063)

Ad valorem taxes receivable net
General Fund

\$ 844,256

Reconcilement with Revenues:

Ad Valorem Taxes - General Fund

\$ 21,324,960

Reconciling Items:

Amount written off per statute

44,191

Interest Collected

167,223

Tax Refunds

40,771

Discounts

213,092

Miscellaneous

(451,016)

Total collections and credits

\$ 21,339,221

CITY OF GREENVILLE, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - CITY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2005

	City - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 3,776,499,819	\$ 0.56	\$ 21,148,399	\$ 18,961,739	\$ 2,186,660
Penalties	-		2,703	2,703	-
Total	<u>3,776,499,819</u>		<u>21,151,102</u>	<u>18,964,442</u>	<u>2,186,660</u>
Discoveries:					
Current year taxes	63,920,652	\$ 0.56	357,956	47,165	310,791
Penalties	-		13,033	-	13,033
Total	<u>63,920,652</u>		<u>370,989</u>	<u>47,165</u>	<u>323,824</u>
Abatements:	(31,611,530)		(179,958)	(179,958)	NA
Total property valuation	<u>\$ 3,808,808,941</u>				
Net Levy			21,342,133	18,831,649	2,510,484
Uncollected taxes as of June 30, 2005			(749,684)	(477,052)	(272,632)
Current year's taxes collected			<u>\$ 20,592,449</u>	<u>\$ 18,354,597</u>	<u>\$ 2,237,852</u>
Current levy collection percentage			<u>96.49%</u>	<u>97.47%</u>	<u>89.14%</u>

Note: The Motor Vehicle abatements are not separable in the tax system utilized in fiscal year ending June 30, 2005. Tax Value of Abatements not equal to current year tax rate because of prior years at varying tax rates.

STATISTICAL SECTION

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Table 1

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS

Fiscal Year	General Government	Public Safety	Transportation	Environmental Protection	Cultural and Recreational	Economic & Physical Development	Capital Projects	Debt Service	Total
1994-95	\$ 5,530,779	\$ 11,476,969	\$ 3,289,302	\$ 2,120,658	\$ 3,333,175	\$ 744,411	\$ 2,768,617	\$ 627,653	\$ 29,891,564
1995-96	6,781,714	11,810,241	2,156,535	2,251,076	3,586,923	790,228	496,506	706,162	28,579,385
1996-97	6,962,383	13,464,414	3,268,850	2,642,866	3,731,425	886,177	862,951	843,924	32,662,990
1997-98	8,368,725	15,390,219	2,978,449	2,368,210	4,703,876	975,355	1,904,821	1,054,793	37,744,448
1998-99	10,099,322	16,546,032	3,559,452	2,757,660	4,496,209	1,123,791	4,399,077	1,768,055	44,749,598
1999-00	11,490,991	18,311,088	4,758,275	3,657,399	5,197,115	990,858	11,082,737	2,706,699	58,195,162
2000-01	11,342,635	20,250,250	3,623,086	3,002,367	5,301,865	1,396,005	25,673,609	2,679,579	73,269,396
2001-02	10,860,757	20,004,276	3,820,189	3,160,314	3,395,117	1,814,440	23,699,315	2,790,431	69,544,839
2002-03	10,469,775	20,076,396	3,330,676	3,059,722	4,887,697	1,834,672	7,502,349	3,892,753	55,054,040
2003-04	11,693,041	21,631,273	3,393,531	3,561,379	5,599,248	2,125,394	4,068,852	3,741,365	55,814,083
2004-05	13,022,131	23,762,881	3,464,672	3,367,407	6,129,103	1,932,449	7,978,570	5,309,552	64,966,765

(1) Includes General, Special Revenue, Debt Service, and Capital Projects excluding interfund transfers.

CITY OF GREENVILLE, NORTH CAROLINA
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS

Fiscal Year	Ad Valorem Taxes	Other Taxes	Intergovernmental	Licenses, Permits, and Fees			Sales and Services	Investment Earnings	Other	Total
1995-96	\$ 10,632,818	\$ 6,204,413	\$ 7,377,754	\$ 2,395,954	\$ 1,468,450	\$ 1,032,334	\$ 615,398	\$ 29,727,121		
1996-97	11,169,899	7,279,330	7,895,487	2,412,386	1,885,555	1,189,543	646,003	32,478,203		
1997-98	12,053,386	8,096,135	8,964,213	2,941,927	2,041,548	1,565,858	873,568	36,536,635		
1998-99	13,295,318	8,270,897	8,312,484	3,692,077	2,091,650	1,417,721	1,927,362	39,007,509		
1999-00	14,214,513	8,692,322	10,020,827	4,066,821	2,216,337	1,404,304	2,637,651	43,252,775		
2000-01	14,791,816	8,832,474	9,386,421	5,175,253	2,817,040	1,215,614	23,227,839	65,446,457		
2001-02	17,184,908	9,556,235	19,889,615	5,408,984	2,885,839	851,608	613,419	56,390,608		
2002-03	18,297,257	9,917,565	13,490,626	6,220,413	2,908,315	341,985	968,068	52,144,229		
2003-04	19,031,401	11,307,239	10,480,919	6,699,938	2,983,812	282,866	662,096	51,448,271		
2004-05	21,324,960	11,935,887	10,526,812	7,199,177	4,051,459	962,478	623,512	56,624,285		

(1) Includes General, Special Revenue, Debt Service, Capital Projects and Expendable Trust Funds, excluding interfund transfers.

Table 3

CITY OF GREENVILLE, NORTH CAROLINA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS

Fiscal Year	Ad Valorem Tax (1)	Intangibles Tax	Other Taxes				Rental Vehicle Tax (2)	One-half Cent Sales Tax	SubTotal Other Taxes (1)	Total Ad Valorem & Other Taxes
			Local Option Sales Tax	Cable TV Franchise Tax						
1995-96	\$ 10,632,818	\$ 420,649	\$ 2,865,495	\$ 292,166	\$ -	\$ 2,626,103	\$ 6,204,413	\$ 16,837,231		
1996-97	11,169,899	403,009	3,162,901	316,848	-	3,396,572	7,279,330	18,449,229		
1997-98	12,053,386	398,556	3,652,397	344,559	-	3,700,623	8,096,135	20,149,521		
1998-99	13,295,318	394,710	3,666,268	364,442	-	3,845,477	8,270,897	21,566,215		
1999-00	14,214,513	398,934	3,821,413	375,729	-	4,096,246	8,692,322	22,906,835		
2000-01	14,791,816	419,015	3,744,653	391,831	51,786	4,225,189	8,832,474	23,624,290		
2001-02	17,184,908	419,483	3,942,707	444,476	69,845	4,129,056	9,005,567	26,190,475		
2002-03	18,297,257	-	3,785,204	497,862	69,165	4,987,402	9,339,633	27,636,890		
2003-04	19,031,401	-	4,322,041	547,661	82,181	5,789,002	10,740,885	29,772,286		
2004-05	21,324,960	-	5,047,374	451,604	69,605	6,367,304	11,935,887	33,260,847		

Table 4

CITY OF GREENVILLE, NORTH CAROLINA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Tax Year	Fiscal Year Ended June 30	Current (1) Adjusted Tax Levy	Current Year Levy Collection	Percent Collected	Prior Years' Levy Collections	Total Collections During Year (2)	Percent Of Total Collections to Adjusted Tax Levy	Gross Outstanding Delinquent Taxes	Percent Of Total Delinquent to Adjusted Tax Levy
1995	1996	\$ 10,504,026	\$ 10,226,803	97.36	\$ 378,928	\$ 10,605,731	100.97	\$ 1,252,931	11.93
1996	1997	11,111,706	10,806,451	97.25	364,765	11,171,216	100.54	1,427,834	12.85
1997	1998	11,983,426	11,661,691	97.32	361,253	12,022,944	100.33	1,222,265	10.20
1998	1999	13,282,368	12,910,203	97.20	372,453	13,282,656	100.00	1,263,860	9.52
1999	2000	14,244,843	13,747,058	96.51	470,797	14,217,855	99.81	1,656,824	11.63
2000	2001	14,716,098	14,070,832	95.62	571,346	14,642,178	99.50	1,866,570	12.68
2001	2002	17,426,583	16,538,241	94.90	436,742	16,974,983	97.41	1,851,081	10.62
2002	2003	18,295,565	17,434,864	95.30	543,743	17,978,607	98.27	1,784,673	9.75
2003	2004	19,048,466	18,293,964	96.04	435,674	18,729,638	98.33	1,679,999	8.82
2004	2005	21,426,583	20,592,449	96.11	542,026	21,134,475	98.64	1,682,734	7.85

(1) Tax levy adjusted for abatements

(2) Total collections shown net of discounts and refunds.

Table 5

CITY OF GREENVILLE, NORTH CAROLINA

ASSESSED AND ESTIMATED VALUES OF ALL TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June	Tax Year-End December 31	Real Property	Personal Property	Total Assessed Values	Estimated Actual Value Real and Personal	Assessed Ratio to Market Value
1996	1995	\$ 1,463,727,375	\$ 318,765,386	\$ 1,782,492,761	\$ 2,046,011,308	87
1997	1996 (4)	1,791,976,618	370,289,135	2,162,265,753	2,197,299,346	98
1998	1997	1,874,396,559	457,682,842	2,332,079,401	2,455,215,648	95
1999	1998	1,971,105,196	476,722,029	2,447,827,225	2,632,072,284	93
2000	1999	2,091,585,301	527,660,798	2,619,246,099	2,900,815,055	90
2001	2000	2,142,920,725	569,069,288	2,711,990,013	3,118,788,515	87
2002	2001	2,260,269,501	587,530,809	2,847,800,310	3,274,970,357	87
2003	2002	2,377,777,793	610,040,201	2,987,817,994	3,435,990,693	87
2004	2003	2,486,194,940	621,986,475	3,108,181,415	3,738,520,606	83
2005	2004	3,216,339,298	624,081,173	3,840,420,471	3,883,433,180	99

(1) Personal property appraised at 100% each year.

(2) Public service companies appraised each year included in total values on this schedule.

(3) Total assessed values are net of abatements.

(4) Property reappraised.

CITY OF GREENVILLE, NORTH CAROLINA

PROPERTY TAX RATES AND LEVIES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Tax Year	Fiscal Year Ended June 30	Rates Per \$100 Assessed Value		Levies		Total
		Pitt County	City of Greenville	Pitt County	City of Greenville	
1995	1996	0.7239	0.5936	\$ 31,310,195	\$ 10,504,026	\$ 41,814,221
1996	1997	0.66	0.52	33,431,763	11,111,706	44,543,469
1997	1998	0.68	0.52	36,631,265	11,983,426	48,614,691
1998	1999	0.68	0.55	37,415,793	13,282,368	50,698,161
1999	2000	0.68	0.55	39,166,137	14,244,843	53,410,980
2000	2001	0.68	0.55	42,093,619	14,716,098	56,809,717
2001	2002	0.68	0.615	43,399,920	17,426,583	60,826,503
2002	2003	0.68	0.615	43,369,414	18,295,565	61,664,979
2003	2004	0.70	0.615	45,509,940	19,048,466	64,558,406
2004	2005	0.70	0.56	54,824,840	21,342,133	76,166,973

Notes: Revaluation of real property required every eight years by State law.
The County levies a tax rate which all residents of the County must pay. In
addition, the City tax rate is levied on residents within the corporate limits.
These rates are shown above.

Table 7

CITY OF GREENVILLE, NORTH CAROLINA

PRINCIPAL TAXPAYERS

Tax Year 2004

June 30, 2005

<u>Taxpayers</u>	<u>Type of Business</u>	<u>2004 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Sprint	Communications	\$ 33,137,000	0.86%
Colonial Realty LP (Colonial Mall)	Mall	27,209,900	0.71%
Pirates Cove of Greenville Ltd	Rental Apartments	19,288,800	0.50%
Wachovia	Commercial Bank	18,200,000	0.47%
Treybrook LLC	Rental Apartments	18,140,000	0.47%
Speight, Joseph D.	Developer	18,110,000	0.47%
Heritage Property Investments (University Commons)	Mall	16,193,000	0.42%
Winter Village Med Properties	Medical Real Estate	12,254,000	0.32%
Wal Mart	Retail Store	11,527,000	0.30%
GVL Lynncroft LLC	Shopping Center	<u>10,901,000</u>	0.28%
		<u>\$ 184,960,700</u>	4.82%

CITY OF GREENVILLE, NORTH CAROLINA

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS (1)
LAST TEN FISCAL YEARS**

- (1) The City does not have any special assessments as listed in the North Carolina General Statutes 160A-216.

Table 9

CITY OF GREENVILLE, NORTH CAROLINA

COMPUTATION OF THE LEGAL DEBT MARGIN

June 30, 2005

Total assessed valuation at June 30, 2005	\$ 3,840,420,471
Less current year abatements	<u>31,611,530</u>
Assessed value of taxable property	<u>\$ 3,808,808,941</u>
Debt limit - eight percent (8%) of assessed value	\$ 304,704,715
Less net debt outstanding at June 30, 2005, see below	<u>47,758,689</u>
Legal debt margin	<u>\$ 256,946,026</u>

Gross Debt

Outstanding general obligation bonded debt:

General governmental bonds	\$ 6,805,000
Sanitary sewer bonds	
Electric, water, and sewer refunding bonds	6,885,000

Bonds authorized but unissued	4,000,000
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Outstanding non-bonded debt-

Installment purchase contract	<u>30,068,689</u>
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Gross debt	47,758,689
------------	------------

Statutory Deductions

Bonded debt included in gross debt incurred for water, electric

Bonds authorized but unissued	<u>-</u>
-------------------------------	----------

Total deductions	<u>-</u>
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Net Debt	<u>\$ 47,758,689</u>
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CITY OF GREENVILLE, NORTH CAROLINA

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND
 NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
 LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt		Net Bonded Debt	Ratio of	
				Payable From Enterprise Fund Revenues (4)	Bonded Debt		Net Bonded Debt to Assessed Value	Bonded Debt Per Capita
1995-96	56,397	\$ 1,782,492,761	\$ 23,170,000	\$ 18,516,846	\$ 4,653,154		0.26	83
1996-97	58,951	2,162,265,753	21,490,000	17,111,171	4,378,829		0.20	74
1997-98	56,630	2,332,079,401	19,825,000	15,718,394	4,106,606		0.18	73
1998-99	56,638	2,447,827,225	41,051,827	14,328,513	26,723,314		1.09	472
1999-00	57,405	2,619,246,099	40,105,040	12,951,007	27,154,033		1.04	473
2000-01	60,939	2,711,990,013	38,857,301	11,578,769	27,278,532		1.01	448
2001-02	61,113	2,847,800,310	37,056,604	11,800,248	25,256,356		0.89	413
2002-03	63,477	2,987,817,994	36,123,514	10,879,353	25,244,161		0.84	398
2003-04	63,477	3,108,181,415	34,019,015	9,576,531	24,442,484		0.79	385
2004-05	67,525	3,840,420,471	47,758,689	8,291,519	39,467,170		1.03	584

(1) City of Greenville Planning Department and State Management Office.

(2) Reference Table 5 in this Statistical Section

(3) Amount does not include revenue bonds.

(4) These amounts are general obligation bonds and lease purchases that are being repaid by the Enterprise Funds.

Table 11

CITY OF GREENVILLE, NORTH CAROLINA

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION BONDED DEBT (1)
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest and Fees</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures (2)</u>	<u>Ratio of Debt Service To General Governmental Expenditures</u>
1995-96	\$ 275,901	\$ 240,672	\$ 516,573	\$ 28,579,385	1.81
1996-97	274,324	227,315	501,639	32,662,991	1.54
1997-98	272,222	214,035	486,257	37,744,448	1.29
1998-99	270,116	250,762	520,878	44,749,598	1.16
1999-00	367,491	342,018	709,509	58,195,162	1.22
2000-01	362,763	324,694	687,457	73,269,396	0.94
2001-02	450,000	351,048	801,048	71,889,806	1.11
2002-03	500,000	330,950	830,950	55,054,040	1.51
2003-04	665,000	295,360	960,360	55,752,138	1.72
2004-05	650,000	274,250	924,250	64,966,765	1.42

(1) Payments on general obligation bonds reported in the Enterprise Funds and obligations on installment sales contracts and capital leases have been omitted.

(2) Includes General, Special Revenue, Debt Service, Capital Projects and Fiduciary Funds, excluding interfund transfers. Does not include transfers to (from) Proprietary and Nonexpendable Trust fund types.

(3) Payments related to the advance refunding of general obligation bonds are not included.

Table 12

CITY OF GREENVILLE, NORTH CAROLINA

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS

June 30, 2005

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding (1)</u>	<u>Percentage Applicable to City of Greenville (2)</u>	<u>Amount Applicable to City of Greenville</u>
Direct:			
City of Greenville	\$ 31,910,000	100.00%	\$ 31,910,000
Overlapping:			
Pitt County:	<u>9,510,000</u>	40.153%	<u>3,818,597</u>
	<u>\$ 41,420,000</u>		<u>\$ 35,728,597</u>

(1) Excluding general obligation bonds and revenue bonds reported in the Enterprise Funds.

(2) Ratio of City of Greenville assessed valuation to Pitt County assessed valuation.

CITY OF GREENVILLE, NORTH CAROLINA

**REVENUE BOND COVERAGE
ELECTRIC, WATER, SEWER, AND GAS
LAST TEN FISCAL YEARS (9)**

<u>Fiscal Year</u>	<u>Gross Revenues (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenues Available for Debt Service</u>	<u>Debt Service Requirement (3)</u>			
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
1996-97	\$ 131,590,965	\$ 114,478,611	\$ 17,112,354	\$ 970,372	\$ 1,142,591	\$ 2,112,963	8.10
1997-98	135,176,377	118,617,975	16,558,402	1,029,949	1,338,802	2,368,751	6.99
1998-99	139,865,901	121,204,885	18,661,016	1,290,915	1,557,287	2,848,202	6.55
1999-00	146,927,560	130,706,875	16,220,685	1,377,508	698,942	2,076,450	7.81
2000-01	159,862,604	139,022,040	20,840,564	2,150,117	3,215,222	5,365,339	3.88
2001-02	157,604,341	146,086,901	11,517,440	2,782,028	3,346,986	6,129,014	1.88
2002-03	176,408,429	162,149,116	14,259,313	3,970,006	3,768,390	7,738,396	1.84
2003-04	182,371,988	157,694,563	24,677,425	4,203,692	3,377,672	7,581,364	3.26
2004-05	190,003,481	167,660,460	22,343,021	4,372,064	3,193,911	7,565,975	2.95

(1) Total revenues (including interest) exclusive of tap fees.

(2) Total operating expenses exclusive of depreciation.

(3) Includes principal and interest of revenue bonds only. Amount does not include the general obligation bonds reported in the electric, water, sewer, and gas funds.

Table 14

CITY OF GREENVILLE, NORTH CAROLINA

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year Ending June 30</u>	<u>Population (1)</u>	<u>Per Capita Income</u>	<u>Median Age (2)</u>	<u>School Membership (3)</u>	<u>Unemployment Rate (4)</u>
1995-96	\$ 56,397	\$ 19,877	30	19,385	5.30
1996-97	58,951	20,800	29	19,375	6.00
1997-98	56,630	19,813	n/a	19,592	5.00
1998-99	56,638	22,772	n/a	19,336	4.50
1999-00	57,405	23,239	32	19,817	5.50
2000-01	60,939	24,599	30	20,286	6.60
2001-02	61,113	24,455	31	20,600	7.50
2002-03	63,477	24,731	31	20,412	7.60
2003-04	63,477	n/a	n/a	20,665	6.60
2004-05	67,525	25,746	n/a	21,812	5.40

n/a Not available

(1) City of Greenville Planning Department and State Budget Management Office.

(2) Sheppard Memorial Library and North Carolina State Data Center, for Pitt County.

(3) Figures are from the Pitt County Board of Education which include the City of Greenville.

(4) Unemployment statistics are for Pitt County provided by the North Carolina Employment Security Commission, Greenville, North Carolina.

CITY OF GREENVILLE, NORTH CAROLINA
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value (1)	Estimated Actual Value	Number of		Number of Permits-Single-family	Number of Miscellaneous Permits	Total Number of Permits	Total		Bank Deposits (4)
			Permits-Duplex	Permits-Multi-family				Construction Permit Value		
1995-96	\$ 1,463,727,375	\$ 2,046,011,308	153	146	172	1,619	1,895	\$ 92,596,936	\$ 757,297,000	
1996-97	1,791,976,618	2,197,299,346	141	156	643	955	2,004	103,764,684	784,060,000	
1997-98	1,874,396,559	2,455,215,648	142	68	709	1,085	2,253	116,405,877	766,368,000	
1998-99	1,971,105,196	2,632,072,284	248	122	729	1,401	2,500	129,092,207	818,186,000	
1999-00	2,091,585,301	2,900,815,055	72	209	1330	1,930	3,541	158,463,264	854,663,000	
2000-01	2,142,920,725	3,118,788,515	114	170	798	1,576	2,658	170,115,444	897,562,000	
2001-02	2,260,269,501	3,274,970,357	278	191	926	1,563	2,958	147,033,735	(5)	
2002-03	2,377,777,793	3,435,990,693	142	192	338	2,581	3,253	145,040,963	(5)	
2003-04	2,486,194,940	3,738,520,606	40	220	312	2,253	2,825	113,027,779	(5)	
2004-05	3,216,339,298	3,883,433,180	50	63	397	2,800	3,310	187,924,953	(5)	

(1) Assessed real value from Table 5

(2) Source: City Engineering and Inspections department.

(3) Source: City Engineering and Inspections department.

(4) Source: North Carolina Bankers Association/North Carolina Banking Commission.

(5) Information not available at this time.

CITY OF GREENVILLE, NORTH CAROLINA

MISCELLANEOUS STATISTICS

JUNE 30, 2005

Date of incorporation	1774
Form of government	Council/Manager
Number of employees (excluding police and fire):	328
Classified	257
Exempt	71
Area in square miles	29
City of Greenville facilities and services:	
Miles of streets	220
Number of street lights	5,785
Culture and recreation:	
Community centers	13
Parks	30
Park acreage	1,475
Golf courses	4
Swimming pools	2
Tennis courts	24
Greenway - Miles	2.80
Fire protection	
Number of stations	6
Number of fire personnel and officers	129
Number of calls answered - Fire	2,530
Number of calls answered - EMS	9,190
Number of inspections conducted	3,500
Police protection:	
Number of stations	1
Number of police personnel and officers	210
Number of patrol units	159
Number of law violations:	
Physical arrests	4,599
Traffic violations	22,003
Sewerage system:	
Miles of sanitary sewers	423
Number of treatment plants	1
Number of service connections	23,629
Daily average treatment in gallons	8,895,000
Maximum daily capacity of treatment plant in gallons	19,630,000
Water system:	
Miles of water mains	565
Number of service connections	29,540
Number of fire hydrants	2,886
Daily average consumption in gallons	9,843,000
Maximum daily capacity of plant in gallons	22,500,000
Facilities and services not included in the reporting entity:	
Education:	
Number of elementary schools	34
Number of elementary school instructors	691
Number of secondary schools	6
Number of secondary school instructors	382
Number of community colleges	1
Number of universities	1
Hospitals:	
Number of hospitals	1
Number of patient beds	745

SINGLE AUDIT SECTION

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Martin Starnes & Associates, CPAs, P.A.

A Professional Association of Certified Public Accountants and Management Consultants

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

To the Honorable Mayor and
Members of the City Council
City of Greenville, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenville, North Carolina, as of and for the year ended June 30, 2005, which collectively comprises the City of Greenville's basic financial statements, and have issued our report thereon dated August 26, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Greenville's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Greenville's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the Greenville City Council, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Martin Starnes & Associates CPAs, P.A.

Martin Starnes & Associates, CPAs, P. A.
August 26, 2005



Martin Starnes & Associates, CPAs, P.A.

A Professional Association of Certified Public Accountants and Management Consultants

Report on Compliance With Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 and the State Single Audit Implementation Act

To the Honorable Mayor and
Members of the City Council
City of Greenville, North Carolina

Compliance

We have audited the compliance of the City of Greenville, North Carolina, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2005. The City of Greenville's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Greenville's management. Our responsibility is to express an opinion on the City of Greenville's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Greenville's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Greenville's compliance with those requirements.

In our opinion, the City of Greenville complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of the City of Greenville is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Greenville's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Implementation Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the Greenville City Council and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Martin Starnes & Associates CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
August 26, 2005



Martin Starnes & Associates, CPAs, P.A.

A Professional Association of Certified Public Accountants and Management Consultants

Report on Compliance With Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance With Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act

To the Honorable Mayor and
Members of the City Council
City of Greenville, North Carolina

Compliance

We have audited the compliance of the City of Greenville, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to its major State program for the year ended June 30, 2005. The City of Greenville's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each major State program is the responsibility of the City of Greenville's management. Our responsibility is to express an opinion on the City of Greenville's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material affect on a major State program occurred. An audit includes examining, on a test basis, evidence about the City of Greenville's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Greenville's compliance with those requirements.

In our opinion, the City of Greenville complied, in all material respects, with the requirements referred to above that are applicable to each major State program for the year ended June 30, 2005.

Internal Control Over Compliance

The management of the City of Greenville is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered the City of Greenville's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major State program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the Greenville City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Martin Starnes & Associates CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
August 26, 2005

CITY OF GREENVILLE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005

1. Summary of Auditors' Results

- A. An unqualified opinion was issued on the financial statements of the City of Greenville, North Carolina.
- B. Our audit of the basic financial statements disclosed no reportable conditions in internal control.
- C. Our audit of the basic financial statements disclosed no instances of noncompliance with laws, regulations and the provisions of contracts and grant agreements that is material to the basic financial statements.
- D. Our audit of compliance with the types of compliance requirements applicable to the City's major programs disclosed no reportable conditions in internal controls over major programs.
- E. Our audit disclosed no audit findings which related to Federal and State awards.
- F. An unqualified opinion was issued on the City of Greenville's compliance with the types of compliance requirements applicable to each major State program.
- G. The Major Federal programs for the City of Greenville, North Carolina for the fiscal year ended June 30, 2005 are:

<u>Program Name</u>	<u>CFDA#</u>
CDBG Entitlement Grant	14.218
CDBG Home Program Grant	14.239
Federal Transit Formula Grants	20.507

- H. The Major State programs for the City of Greenville for the year ended June 30, 2005 are:

Powell Bill
NC Governor's Highway Safety Program
- I. The threshold for determining Type A programs for City of Greenville is \$300,000.
- J. City of Greenville did not qualify as a low risk auditee under Section 530 of Circular No. A-133.

CITY OF GREENVILLE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005

2. Findings Related to the Audit of the Basic Financial Statements

The audit did not detect any findings as it relates to the basic financial statements.

3. Findings and Questioned Costs Related to the Audit of Federal and State Awards

The audit did not detect any findings or questioned costs as it relates to federal or State awards.

CITY OF GREENVILLE, NORTH CAROLINA

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2005**

Not applicable

CITY OF GREENVILLE, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005

None. No uncorrected prior year findings.

CITY OF GREENVILLE, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal (Direct and Pass Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures
FEDERAL FINANCIAL ASSISTANCE:						
U. S. Department of Homeland Security Operations and Firefighter Safety	97.044	ENW2004-FG-17290	\$ 70,378		\$ 30,162	\$ 100,540
Total U.S. Department of Homeland Security			70,378		30,162	100,540
U.S. Department of Housing and Urban Development Pass-through N. C. Department of Commerce						
CDBG Entitlement Grant	14.218	BO4-MC-37-0020	914,451			914,451
CDBG Home Program Grant	14.239		896,120			896,120
Total U.S. Department of Housing and Urban Development			1,810,571			1,810,571
U.S. Department of Transportation Direct Programs -						
Federal Transit Administration		Planning				
Urban Mass Transportation Act	20.505	05-08-013	30,590	3,059	3,059	36,708
Federal Transit Formula Grants	20.507	Operating & Capital NC90x323 NC90x340	865,922 865,825	- 23,200	748,922 440,745	1,614,844 1,329,770
Passed-through N.C. Department of Transportation						
Highway planning and construction	20.205	Planning Sec 104F	100,590	-	25,147	125,737
Total U.S. Department of Transportation			1,862,927	26,259	1,217,873	3,107,059

CITY OF GREENVILLE, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal (Direct and Pass Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures
U.S. Bureau of Justice Assistance: Direct Payments Law Enforcement Block Grant	16.592	2003-LB-BX-0288 2004-CK-WO-116	85,354 197,895			85,354 197,895
Total U.S. Bureau of Justice Assistance			283,249	-	-	283,249
STATE OF NORTH CAROLINA FINANCIAL ASSISTANCE						
State of North Carolina Department of Crime Control and Public Safety Victim's Advocate Grant		2004VOCA 074-1-04-011-AV-115		35,396		35,396
Department of Transportation Division of Highways - Powell Bill Funds Public Transportation and Rail Division State Maintenance Assistance Program N.C. Governor's Highway Safety Program				1,943,229		1,943,229
		PT05040509		128,843 349,209		128,843 349,209
Department of Environment & Natural Resources Urban and Community Forestry Parks and Recreation Trust Fund		FO4022 PARTF		4,677 250,000	125,000	4,677 375,000
Department of Commerce Division of Community Assistance Department of Cultural Resources				12,750	-	12,750
Total State Financial Assistance				2,724,104	125,000	2,849,104
Total Federal and State Assistance			\$ 4,027,125	\$ 2,750,363	\$ 1,373,035	\$ 8,150,523

CITY OF GREENVILLE, NORTH CAROLINA

Notes To Schedule of Expenditures of Federal And State Awards For The Fiscal Year Ended June 30, 2005

Note 1 - General

The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of all federal and state financial assistance programs of the City of Greenville, North Carolina. The City of Greenville, North Carolina reporting entity is defined in Note 1 to the City's basic financial statements. All federal and state financial assistance received directly from federal and State agencies as well as federal financial assistance passed through other government agencies is included on the schedule.

Note 2 - Basis of Accounting

The accompanying Schedule of Expenditures of Federal and State Awards is presented using the modified accrual basis of accounting, which is described in the notes to the City's basic financial statements.

Note 3 – Outstanding State Revolving Loan Fund Balance

The accompanying Schedule of Expenditures of Federal and State Awards includes expenditures related to the North Carolina State Revolving Loan Fund.

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